

115TH CONGRESS
1ST SESSION

S. 2201

To amend the Higher Education Act of 1965 to improve college access
and college completion for all students.

IN THE SENATE OF THE UNITED STATES

DECEMBER 6, 2017

Mr. COONS 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 improve
college access and college completion for all students.

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 “Access, Success, and
5 Persistence in Reshaping Education Act of 2017” or the
6 “ASPIRE Act”.

1 **SEC. 2. IMPROVING COLLEGE ACCESS AND COMPLETION**
 2 **FOR ALL STUDENTS.**

3 (a) IN GENERAL.—Part G of title IV of the Higher
 4 Education Act of 1965 (20 U.S.C. 1088 et seq.) is amend-
 5 ed by adding at the end the following:

6 **“SEC. 493E. IMPROVING COLLEGE ACCESS AND COMPLE-**
 7 **TION FOR ALL STUDENTS.**

8 “(a) DEFINITIONS.—Except as otherwise provided in
 9 this section, in this section:

10 “(1) AVERAGE STUDENT-RELATED EXPENDI-
 11 TURE.—

12 “(A) IN GENERAL.—The term ‘average
 13 student-related expenditure’ means, with re-
 14 spect to the most recent fiscal year ending be-
 15 fore the October of an academic year, the total
 16 amount of an institution’s instructional expend-
 17 itures, student services expenditures, and the
 18 proportion of academic support expenditures
 19 that goes towards instruction, divided by the
 20 number of full-time equivalent students enrolled
 21 in the institution for the academic year.

22 “(B) INSTRUCTIONAL EXPENDITURES.—
 23 The term ‘instructional expenditures’—

24 “(i) includes—

25 “(I) expenditures for the colleges,
 26 schools, departments, and other in-

1 instructional divisions of the institution
2 and expenses for departmental re-
3 search and public service that are not
4 separately budgeted;

5 “(II) general academic instruc-
6 tion, occupational and vocational in-
7 struction, community education, pre-
8 paratory and adult basic education,
9 and remedial and tutorial instruction
10 conducted by the teaching faculty for
11 the institution’s students; and

12 “(III) expenses for both credit
13 and non-credit activities;

14 “(ii) may include information tech-
15 nology expenses related to instructional ac-
16 tivities if the institution separately budgets
17 and expenses information technology re-
18 sources; and

19 “(iii) does not include expenses for
20 academic administration where the primary
21 function is administration.

22 “(C) STUDENT SERVICES EXPENDI-
23 TURES.—The term ‘student services expendi-
24 tures’—

1 “(i) includes expenses for admissions,
 2 registrar activities, and activities whose
 3 primary purpose is to contribute to the
 4 emotional and physical well-being of stu-
 5 dents and to their intellectual, cultural,
 6 and social development outside the context
 7 of the formal instructional program; and

8 “(ii) may include information tech-
 9 nology expenses related to student service
 10 activities if the institution separately budg-
 11 ets and expenses information technology
 12 resources, otherwise these expenses are in-
 13 cluded in institutional support.

14 “(D) ACADEMIC SUPPORT EXPENDI-
 15 TURES.—The term ‘academic support expendi-
 16 tures’ includes—

17 “(i) expenses of activities and services
 18 that support the institution’s primary mis-
 19 sions of instruction, research, and public
 20 service, including—

21 “(I) the retention, preservation,
 22 and display of educational materials;

23 “(II) organized activities that
 24 provide support services to the aca-
 25 demic functions of the institution;

1 “(III) media such as audiovisual
2 services;

3 “(IV) academic administration;
4 and

5 “(V) formally organized and sep-
6 arately budgeted academic personnel
7 development and course and cur-
8 riculum development expenses; and

9 “(ii) information technology expenses
10 related to academic support activities or, if
11 an institution does not separately budget
12 and expense information technology re-
13 sources, the costs associated with the three
14 primary programs shall be applied to this
15 function and the remainder to institutional
16 support.

17 “(E) FULL-TIME EQUIVALENT STUDENTS
18 ENROLLED.—The term ‘full-time equivalent
19 students enrolled’ means the number of full-
20 time students enrolled, plus—

21 “(i) in the case of an institution of
22 higher education that is a public, 4-year
23 institution—

1 “(I) the number of part-time un-
2 dergraduate students enrolled multi-
3 plied by 0.403543; and

4 “(II) the number of part-time
5 graduate students enrolled multiplied
6 by 0.361702;

7 “(ii) in the case of an institution of
8 higher education that is a private, non-
9 profit or for profit, 4-year institution—

10 “(I) the number of part-time un-
11 dergraduate students enrolled multi-
12 plied by 0.392857; and

13 “(II) the number of part-time
14 graduate students enrolled multiplied
15 by 0.382059;

16 “(iii) in the case of an institution of
17 higher education that is a public, 2-year
18 institution, the number of part-time under-
19 graduate students enrolled multiplied by
20 0.335737; and

21 “(iv) in the case of an institution of
22 higher education that is not described in
23 clause (i), (ii), or (iii), the number of part-
24 time undergraduate students enrolled mul-
25 tiplied by 0.397058.

1 “(2) INSTITUTION OF HIGHER EDUCATION.—

2 The term ‘institution of higher education’ means an
3 institution of higher education (as defined in section
4 101(a)) or a proprietary institution of higher edu-
5 cation (as defined in section 102(b))—

6 “(A) that predominately awards more
7 bachelor’s degrees than associate’s degrees and
8 certificates; and

9 “(B) that enrolls not less than 30 first-
10 time, full-time, degree- or certificate-seeking un-
11 dergraduate students.

12 “(3) LOW-INCOME OR WORKING CLASS STU-
13 DENT.—The term ‘low-income or working class stu-
14 dent’ means a student who is eligible to receive a
15 Federal Pell Grant.

16 “(4) MODERATE-INCOME STUDENT.—The term
17 ‘moderate-income student’ means a student who is
18 eligible to receive a Federal Direct Stafford Loan
19 but not eligible to receive a Federal Pell Grant.

20 “(5) REMEDIAL COURSE.—The term ‘remedial
21 course’ means a course of study that is determined
22 by the institution which offers such course to be nec-
23 essary to help a student be prepared for the pursuit
24 of a first undergraduate bachelor’s degree but does
25 not count for credit toward the degree.

1 “(6) UNDERREPRESENTED MINORITY.—The
2 term ‘underrepresented minority’ means American
3 Indian, Alaskan Native, Black (not of Hispanic ori-
4 gin), Hispanic (including persons of Mexican, Puerto
5 Rican, Cuban, and Central or South American ori-
6 gin), or Pacific Islander minority group.

7 “(b) IMPROVING COLLEGE ACCESS.—

8 “(1) IN GENERAL.—In order for an institution
9 of higher education to participate in any student fi-
10 nancial assistance program under this title, the insti-
11 tution shall comply with the improving college access
12 program under this subsection.

13 “(2) CALCULATION OF PERCENTAGES OF FED-
14 ERAL PELL GRANT RECIPIENTS.—

15 “(A) IN GENERAL.—For academic year
16 2017–2018 and for each succeeding academic
17 year, the Secretary shall determine, for each in-
18 stitution of higher education, the percentage of
19 bachelor’s degree-seeking students who enrolled
20 at the institution for the first-time in a full-
21 time capacity for the academic year who re-
22 ceived a Federal Pell Grant for such academic
23 year.

24 “(B) RANKING.—

1 “(i) IN GENERAL.—For academic year
2 2017–2018 and for each succeeding aca-
3 demic year, the Secretary shall rank the
4 institutions according to the percentages
5 determined under subparagraph (A).

6 “(ii) THRESHOLD MARK.—For aca-
7 demic year 2017–2018 and for each suc-
8 ceeding academic year, the Secretary shall
9 determine, based on the rankings under
10 this subparagraph, the percentage, deter-
11 mined under subparagraph (A), at which
12 and above which marks the top 95 percent
13 of those institutions ranked.

14 “(C) FLOOR REACHED.—

15 “(i) FLOOR MARK.—For academic
16 year 2017–2018, the Secretary shall deter-
17 mine, based on the rankings under sub-
18 paragraph (B)(i) for such academic year,
19 the percentage, determined under subpara-
20 graph (A), at which and above which
21 marks the top 90 percent of those institu-
22 tions ranked.

23 “(ii) COMPARISON OF THRESHOLD
24 MARK TO FLOOR MARK.—If the threshold
25 mark determined under subparagraph

1 (B)(ii) for an academic year is at or above
2 the floor mark determined under clause (i),
3 no institution shall be subject to the provi-
4 sions of paragraph (3) for such academic
5 year.

6 “(3) CONSEQUENCES OF LOW RANKING.—

7 “(A) NOTIFICATION.—

8 “(i) IN GENERAL.—

9 “(I) IN GENERAL.—Subject to
10 paragraph (2)(C)(ii), for academic
11 year 2017–2018 and for each suc-
12 ceeding academic year, the Secretary
13 shall notify each institution of higher
14 education that is in the bottom 5 per-
15 cent of those institutions ranked
16 under paragraph (2)(B)—

17 “(aa) that the institution is
18 in such bottom 5 percent of those
19 institutions ranked;

20 “(bb) of the threshold mark
21 described in paragraph (2)(B)(ii)
22 that such institution must meet
23 or rise above; and

24 “(cc) that the institution has
25 90 days to appeal to the Sec-

1 retary to be removed from the
2 bottom 5 percent of those institu-
3 tions ranked.

4 “(II) APPEAL.—An institution of
5 higher education that is in the bottom
6 5 percent of those institutions ranked
7 under paragraph (2)(B) for an aca-
8 demic year may appeal to the Sec-
9 retary, within 90 days of the notifica-
10 tion under subclause (I), to be re-
11 moved from such bottom 5 percent
12 ranking if—

13 “(aa) the Secretary’s cal-
14 culation of its ranking is not ac-
15 curate, and that recalculation of
16 such ranking would raise the
17 ranking of the institution above
18 the bottom 5 percent of those in-
19 stitutions ranked; or

20 “(bb) the institution’s per-
21 centage of all bachelor’s degree-
22 seeking students enrolled at the
23 institution who received a Fed-
24 eral Pell Grant for the academic

1 year is sufficiently high, as deter-
2 mined by the Secretary.

3 “(III) AUTOMATIC REMOVAL.—

4 An institution of higher education
5 that is in the bottom 5 percent of
6 those institutions ranked under para-
7 graph (2)(B) for an academic year
8 but whose average percentage for the
9 academic year and the 2 preceding
10 academic years of bachelor’s degree-
11 seeking students who enrolled at the
12 institution for the first-time in a full-
13 time capacity for the academic year
14 and the 2 preceding academic years
15 who received a Federal Pell Grant for
16 the academic year and the 2 preceding
17 academic years is at or above the
18 threshold mark described in para-
19 graph (2)(B)(ii) for the academic
20 year, shall be automatically removed
21 from such bottom 5 percent ranking.

22 “(ii) CONSUMER WARNING REPORT BY
23 THE SECRETARY.—

24 “(I) IN GENERAL.—For academic
25 year 2017–2018 and for each suc-

1 ceeding academic year, the Secretary
2 shall issue a report, following resolu-
3 tion of all appeals brought pursuant
4 to the 90-day appeal period, listing
5 each institution of higher education
6 that is in the bottom 5 percent of
7 those institutions ranked under para-
8 graph (2)(B), and not removed from
9 such ranking in accordance with sub-
10 clause (II) or (III) of clause (i), along
11 with the percentage of bachelor's de-
12 gree-seeking students who enrolled at
13 each such institution for the first-time
14 in a full-time capacity for the aca-
15 demic year who received a Federal
16 Pell Grant for such academic year.

17 “(II) INCORPORATION INTO EX-
18 ISTING DATA SOURCES.—In issuing
19 the report under subclause (I), the
20 Secretary shall incorporate the list of
21 institutions in the bottom 5 percent of
22 those institutions ranked and not re-
23 moved from the ranking into data
24 sources of the Department that exist
25 on the date of enactment of the Ac-

1 cess, Success, and Persistence in Re-
2 shaping Education Act of 2017, such
3 as the College Scorecard.

4 “(B) PLAN.—An institution of higher edu-
5 cation that is included in the report under sub-
6 paragraph (A)(ii) shall develop a plan, not later
7 than 1 year after the date of the notification
8 under subparagraph (A)(i)(I) and in consulta-
9 tion with the Secretary, to meet or rise above
10 the threshold mark described in paragraph
11 (2)(B)(ii) applicable for the academic year for
12 which this institution was included in the report
13 under subparagraph (A)(ii) that triggered such
14 determination.

15 “(C) CALCULATION OF AVERAGE.—For
16 each institution of higher education that is in-
17 cluded in the report under subparagraph (A)(ii)
18 for an academic year, the Secretary shall—

19 “(i) grant the institution a hold harm-
20 less year for the academic year succeeding
21 the academic year for which the institution
22 receives notification under subparagraph
23 (A)(i)(I); and

24 “(ii) determine the average percentage
25 over the 3 succeeding academic years fol-

1 lowing the hold harmless academic year de-
2 scribed in clause (i) of bachelor’s degree-
3 seeking students who enrolled at the insti-
4 tution for the first-time in a full-time ca-
5 pacity for each of such 3 succeeding aca-
6 demic years who received a Federal Pell
7 Grant for each of such 3 succeeding aca-
8 demic years.

9 “(D) FAILURE TO IMPROVE.—

10 “(i) IN GENERAL.—Except as pro-
11 vided in clause (ii), if an institution of
12 higher education has an average percent-
13 age determined under subparagraph (C)(ii)
14 that is less than the threshold mark de-
15 scribed in paragraph (2)(B)(ii) for the aca-
16 demic year for which the institution was
17 included in the report under subparagraph
18 (A)(ii) that triggered such determination,
19 the Secretary shall impose on such institu-
20 tion a penalty described in subparagraph
21 (E).

22 “(ii) DELAY OF PENALTY.—

23 “(I) IN GENERAL.—The Sec-
24 retary may delay imposing a penalty
25 described in subparagraph (E) with

1 respect to an institution that has an
2 average percentage determined under
3 subparagraph (C)(ii) that is less than
4 the threshold mark described in para-
5 graph (2)(B)(ii) for the academic year
6 for which the institution was included
7 in the report under subparagraph
8 (A)(ii) that triggered such determina-
9 tion, but whose percentage determined
10 for the most recent academic year is
11 at or above such threshold mark.

12 “(II) PERIOD OF DELAY.—The
13 Secretary may delay imposing a pen-
14 alty under subclause (I) for a period
15 of not more than 2 years.

16 “(III) NEW 3-YEAR AVERAGE.—
17 With respect to an institution for
18 which the Secretary delays imposing a
19 penalty under this clause for a period
20 of not more than 2 years, the Sec-
21 retary, at the end of such delay pe-
22 riod, shall determine the average per-
23 centage over the 3 preceding years of
24 bachelor’s degree-seeking students
25 who enrolled at the institution for the

1 first-time in a full-time capacity for
2 each of such 3 preceding academic
3 years and who received a Federal Pell
4 Grant for each of such 3 preceding
5 academic years. If the institution has
6 an average percentage that is less
7 than the threshold mark described in
8 paragraph (2)(B)(ii) for the academic
9 year for which the institution was in-
10 cluded in the report under subpara-
11 graph (A)(ii) that triggered such de-
12 termination, the Secretary shall im-
13 pose on such institution a penalty de-
14 scribed in subparagraph (E).

15 “(E) PENALTIES.—

16 “(i) IN GENERAL.—The Secretary
17 shall impose a penalty under this para-
18 graph in an amount determined under this
19 subparagraph.

20 “(ii) AMOUNT OF PENALTY.—

21 “(I) IN GENERAL.—The penalty
22 to be imposed under this subpara-
23 graph with respect to an institution
24 shall be a fee-per-student penalty, in
25 which the number of additional stu-

1 dents determined with respect to such
2 institution under subclause (II) for an
3 academic year is multiplied by the in-
4 stitution’s average student-related ex-
5 penditure for the academic year.

6 “(II) NUMBER OF ADDITIONAL
7 STUDENTS TO BE DETERMINED.—

8 With respect to an institution of high-
9 er education that is subject to the
10 penalty under this subparagraph, the
11 Secretary shall determine the total
12 number of additional students the in-
13 stitution would need to enroll over 3
14 years as Federal Pell Grant recipients
15 to meet the threshold mark described
16 in paragraph (2)(B)(ii). Such number
17 shall be calculated by determining the
18 percentage equal to subtracting the
19 average percentage determined under
20 subparagraph (C)(ii) from the thresh-
21 old mark described in paragraph
22 (2)(B)(ii) for the academic year for
23 which the institution was included in
24 the report under subparagraph (A)(ii)
25 that triggered such determination,

1 and multiplying such determined per-
2 centage by the number of bachelor's
3 degree-seeking students who enrolled
4 at the institution for the first-time in
5 a full-time capacity for an academic
6 year over the 3 preceding academic
7 years.

8 “(iii) COLLECTION OF PENALTY
9 FEES.—The Secretary shall—

10 “(I) collect penalty fees imposed
11 under this paragraph not later than 1
12 year after such penalty is imposed;
13 and

14 “(II) use the fees collected under
15 subclause (I) to fund the completion
16 improvement program under sub-
17 section (d) and the completion bonus
18 program under subsection (e).

19 “(iv) PROHIBITION ON USE OF INSTI-
20 TUTIONAL NEED-BASED GRANT AID TO PAY
21 FEES.—An institution of higher education
22 that is subject to a penalty under this
23 paragraph may not, in order to pay such
24 penalty fee—

1 “(I) reduce the amount of insti-
2 tutional need-based grant aid awarded
3 to students to attend the institution;
4 or

5 “(II) increase tuition or fees.

6 “(F) APPEALS.—

7 “(i) IN GENERAL.—An institution of
8 higher education that is subject to a pen-
9 alty under this paragraph may appeal the
10 decision to impose such penalty or the
11 amount of the penalty to the Secretary.

12 “(ii) CONTENT OF APPEAL.—The ap-
13 peals process shall permit the institution to
14 demonstrate, to the satisfaction of the Sec-
15 retary—

16 “(I) that there was a miscalcula-
17 tion of the penalty amount; or

18 “(II) that there is some unfore-
19 seen and extreme circumstance that
20 should warrant a waiver from such
21 penalty or a reduction in the amount
22 of such penalty.

23 “(c) IMPROVING COMPLETION.—

24 “(1) IN GENERAL.—

1 “(A) IN GENERAL.—In order for an insti-
2 tution of higher education to participate in any
3 student financial assistance program under this
4 title, the institution shall comply with the im-
5 proving college completion program under this
6 subsection.

7 “(B) ELECTION BY PUBLIC OR OTHER
8 NONPROFIT INSTITUTIONS.—An institution of
9 higher education that is a public or other non-
10 profit institution of higher education may elect
11 for the Secretary not to impose on such institu-
12 tion a penalty described in paragraph (3)(E).
13 An institution that makes such election shall
14 not be eligible to receive a grant under the com-
15 pletion improvement program under subsection
16 (d) or the completion bonus program under
17 subsection (e).

18 “(C) DEFINITION OF INSTITUTION OF
19 HIGHER EDUCATION.—In this subsection, the
20 term ‘institution of higher education’ means an
21 institution of higher education (as defined in
22 section 101(a)) or a proprietary institution of
23 higher education (as defined in section
24 102(b))—

1 “(i) that predominately awards more
2 bachelor’s degrees than associate’s degrees
3 and certificates; and

4 “(ii) that enrolls not less than 30
5 first-time, full-time bachelor’s degree- or
6 equivalent-degree-seeking undergraduate
7 students.

8 “(2) CALCULATION OF PERCENTAGES OF COM-
9 PLETION.—

10 “(A) IN GENERAL.—For academic year
11 2017–2018 and for each succeeding academic
12 year, the Secretary shall determine, for each in-
13 stitution of higher education that participates
14 in any program under this title, the percentage
15 of first-time, full-time bachelor’s degree-seeking
16 students who enrolled at the institution who
17 graduate within 6 years.

18 “(B) RANKING.—

19 “(i) IN GENERAL.—For academic year
20 2017–2018 and for each succeeding aca-
21 demic year, the Secretary shall rank the
22 institutions according to the percentages
23 determined under subparagraph (A).

24 “(ii) THRESHOLD MARK.—For aca-
25 demic year 2017–2018 and for each suc-

1 ceeding academic year, the Secretary shall
2 determine, based on the rankings under
3 clause (i), the percentage, determined
4 under subparagraph (A), at which and
5 above which marks the top 95 percent of
6 the institutions ranked.

7 “(iii) RANKINGS FOR PEER GROUPS
8 OF INSTITUTIONS.—

9 “(I) IN GENERAL.—For academic
10 year 2017–2018 and for each suc-
11 ceeding academic year, the Secretary
12 shall rank the institutions according
13 to the percentages determined under
14 subparagraph (A) in each peer group
15 of institutions described in subclause
16 (II).

17 “(II) PEER GROUPS.—For aca-
18 demic year 2017–2018 and for each
19 succeeding academic year, the Sec-
20 retary shall establish peer groups of
21 institutions. Each peer group shall in-
22 clude approximately 10 to 15, but not
23 less than 3, institutions that are in-
24 cluded in such group based on similar
25 institutional characteristics. Such

1 characteristics shall include the fol-
2 lowing:

3 “(aa) The percentage of
4 first-time, full-time students en-
5 rolled at the institution who re-
6 ceive a Federal Pell Grant.

7 “(bb) The average SAT or
8 ACT score of first-time, full-time
9 students enrolled at the institu-
10 tion.

11 “(cc) The average high
12 school GPA of first-time, full-
13 time students enrolled at the in-
14 stitution.

15 “(dd) The institution’s aver-
16 age student-related expenditure.

17 “(ee) Other characteristics
18 that the Secretary determines are
19 appropriate.

20 “(III) PEER GROUP ADJUST-
21 MENT.—To provide for fair compari-
22 sons among institutions serving dif-
23 ferent student populations and insti-
24 tutional resources, an institution that
25 is in the bottom 5 percent of the insti-

1 tutions ranked under clause (i) but in
2 the top two-thirds of institutions
3 ranked in the institution’s peer group,
4 as determined under subclause (II),
5 shall be removed from the bottom 5
6 percent of the institutions ranked
7 under clause (i). The Secretary shall
8 not impose on such an institution a
9 penalty described in paragraph
10 (3)(E).

11 “(C) FLOOR REACHED.—

12 “(i) FLOOR MARK.—For academic
13 year 2017–2018, the Secretary shall deter-
14 mine, based on the rankings under sub-
15 paragraph (B)(i) for such academic year,
16 the percentage, determined under subpara-
17 graph (A), at which and above which
18 marks the top 90 percent of those institu-
19 tions ranked.

20 “(ii) COMPARISON OF THRESHOLD
21 MARK TO FLOOR MARK.—If the threshold
22 mark determined under subparagraph
23 (B)(ii) for an academic year is at or above
24 the floor mark determined under clause (i),
25 no institution shall be subject to the provi-

1 sions of paragraph (3) for such academic
2 year.

3 “(3) CONSEQUENCES OF LOW RANKING.—

4 “(A) IN GENERAL.—

5 “(i) IN GENERAL.—Subject to para-
6 graph (2)(C)(ii), for academic year 2017–
7 2018 and for each succeeding academic
8 year, the Secretary shall notify each insti-
9 tution of higher education that is in the
10 bottom 5 percent of those institutions
11 ranked under paragraph (2)(B)(i) (and not
12 removed under paragraph
13 (2)(B)(iii)(III))—

14 “(I) that the institution is in
15 such bottom 5 percent of those insti-
16 tutions ranked for the academic year;

17 “(II) of the applicable threshold
18 mark described in paragraph
19 (2)(B)(ii) that such institution must
20 meet or rise above; and

21 “(III) that the institution has 90
22 days to appeal to the Secretary to be
23 removed from the bottom 5 percent of
24 those institutions ranked.

1 “(ii) APPEAL.—An institution of high-
2 er education that is in the bottom 5 per-
3 cent of those institutions ranked under
4 paragraph (2)(B)(i) (and not removed
5 under paragraph (2)(B)(iii)(III)) for an
6 academic year may appeal to the Sec-
7 retary, within 90 days of the notification
8 under clause (i), to be removed from such
9 bottom 5 percent ranking if the Secretary’s
10 calculation of its ranking is not accurate,
11 and that recalculation of such ranking
12 would raise the ranking of the institution
13 above the bottom 5 percent of those insti-
14 tutions ranked.

15 “(iii) AUTOMATIC REMOVAL.—An in-
16 stitution of higher education that is in the
17 bottom 5 percent of those institutions
18 ranked under paragraph (2)(B)(i) (and not
19 removed under paragraph (2)(B)(iii)(III))
20 for an academic year but whose average
21 percentage for the academic year and the
22 2 preceding academic years of first-time,
23 full-time bachelor’s degree-seeking students
24 who enrolled at the institution who grad-
25 uate within 6 years is at or above the

1 threshold mark described in paragraph
2 (2)(B)(ii) for the academic year, shall be
3 automatically removed from such bottom 5
4 percent ranking.

5 “(iv) CONSUMER WARNING REPORT
6 BY THE SECRETARY.—

7 “(I) IN GENERAL.—For academic
8 year 2017–2018 and for each suc-
9 ceeding academic year, the Secretary
10 shall issue a report, following resolu-
11 tion of all appeals brought pursuant
12 to the 90-day appeal period, listing
13 each institution of higher education
14 that is in the bottom 5 percent of
15 those institutions ranked under para-
16 graph (2)(B)(i), and not removed
17 from such ranking in accordance with
18 clause (ii) or (iii) or paragraph
19 (2)(B)(iii)(III), along with the per-
20 centage of first-time, full-time bach-
21 elor’s degree-seeking students who en-
22 rolled at each such institution who
23 graduate within 6 years.

24 “(II) INCORPORATION INTO EX-
25 ISTING DATA SOURCES.—In issuing

1 the report under subclause (I), the
2 Secretary shall incorporate the list of
3 institutions in the bottom 5 percent of
4 those institutions ranked and not re-
5 moved into data sources of the De-
6 partment that exist on the date of en-
7 actment of the Access, Success, and
8 Persistence in Reshaping Education
9 Act of 2017, such as the College
10 Scorecard. In incorporating the list of
11 institutions into data sources, the Sec-
12 retary shall indicate which of such in-
13 stitutions participate in the comple-
14 tion improvement program under sub-
15 section (d).

16 “(B) PLAN.—For academic year 2017–
17 2018 and for each fifth succeeding academic
18 year, an institution of higher education that is
19 included in the report under subparagraph
20 (A)(iv) shall develop a plan, not later than 1
21 year after the date of the notification under
22 subparagraph (A)(i) and in consultation with
23 the Secretary, to meet or rise above the thresh-
24 old mark described in paragraph (2)(B)(ii), ap-
25 plicable for the academic year for which this in-

1 stitution was included in the report under sub-
2 paragraph (A)(iv) that triggered such deter-
3 mination.

4 “(C) CALCULATION OF AVERAGE.—

5 “(i) IN GENERAL.—For academic year
6 2017–2018 and for each fifth succeeding
7 academic year, for each institution of high-
8 er education that is included in the report
9 under subparagraph (A)(iii) for an aca-
10 demic year, the Secretary shall—

11 “(I) grant the institution 2 hold
12 harmless years for the academic years
13 succeeding the academic year for
14 which the institution receives notifica-
15 tion under subparagraph (A)(i); and

16 “(II) determine the average per-
17 centage over the 3 succeeding aca-
18 demic years (as determined under
19 clause (ii)) following the hold harm-
20 less academic years described in
21 clause (i) of first-time, full-time bach-
22 elor’s degree-seeking students who en-
23 rolled at the institution who graduate
24 within 6 years.

1 “(ii) UNDER-RESOURCED YEARS.—In
2 determining the 3 succeeding academic
3 years under clause (i)(II), the Secretary
4 shall skip any academic year that succeeds
5 an academic year for which less than
6 \$25,000,000 is collected under subsection
7 (b)(3)(E).

8 “(D) FAILURE TO IMPROVE.—

9 “(i) IN GENERAL.—Except as pro-
10 vided in clause (ii) or paragraph (1)(B), if
11 an institution of higher education has an
12 average percentage determined under sub-
13 paragraph (C)(i)(II) that is less than the
14 applicable threshold mark described in
15 paragraph (2)(B)(ii), the Secretary shall
16 impose on such institution a penalty de-
17 scribed in subparagraph (E).

18 “(ii) DELAY OF PENALTY.—

19 “(I) IN GENERAL.—The Sec-
20 retary may delay imposing a penalty
21 described in subparagraph (E) with
22 respect to an institution that has an
23 average percentage determined under
24 subparagraph (C)(i)(II) that is less
25 than the applicable threshold mark

1 described in paragraph (2)(B)(ii), but
2 whose percentage determined for the
3 most recent academic year is at or
4 above such threshold mark.

5 “(II) PERIOD OF DELAY.—The
6 Secretary may delay imposing a pen-
7 alty under subclause (I) for a period
8 of not more than 2 years.

9 “(III) NEW AVERAGE.—With re-
10 spect to an institution for which the
11 Secretary delays imposing a penalty
12 under this clause for a period of not
13 more than 2 years, the Secretary, at
14 the end of such delay period, shall de-
15 termine the average percentage over
16 the 3 preceding years of first-time,
17 full-time bachelor’s degree-seeking
18 students who enrolled at the institu-
19 tion who graduate within 6 years. If
20 the institution has an average per-
21 centage that is less than the threshold
22 mark described in paragraph
23 (2)(B)(ii), the Secretary shall impose
24 on such institution a penalty described
25 in subparagraph (E).

1 “(E) PENALTIES.—

2 “(i) FIRST PENALTY YEAR.—

3 “(I) IN GENERAL.—Beginning
4 with the fifth academic year after
5 which penalty fees are collected under
6 subsection (b)(3)(E), an institution of
7 higher education that is subject to a
8 penalty under this paragraph—

9 “(aa) that is a proprietary
10 institution of higher education
11 (as defined in section 102(b)),
12 shall pay to the Secretary a
13 \$1,000,000 penalty; and

14 “(bb) that is not a propri-
15 etary institution of higher edu-
16 cation (as defined in section
17 102(b)), shall pay to the Sec-
18 retary for an academic year an
19 amount equal to 25 percent of
20 the total amount of funds made
21 available under subsection (d) to
22 the institution during the 4 aca-
23 demic years preceding the aca-
24 demic year for which the penalty
25 is due under this paragraph.

1 “(II) USE OF PENALTIES.—The
2 Secretary shall use the penalty fees
3 under this clause to fund the comple-
4 tion improvement program under sub-
5 section (d) and the completion bonus
6 program under subsection (e).

7 “(ii) SECOND PENALTY YEAR.—One
8 year after the first academic year for
9 which an institution of higher education
10 that is not a proprietary institution of
11 higher education (as defined in section
12 102(b)) pays a penalty under clause
13 (i)(I)(bb), the Secretary shall determine
14 the average percentage for such year after
15 such first academic year and the 2 pre-
16 ceding academic years of first-time, full-
17 time bachelor’s degree-seeking students
18 who enrolled at the institution who grad-
19 uate within 6 years. If such average per-
20 centage is less than the threshold mark de-
21 scribed in paragraph (2)(B)(ii) for such
22 year after such first academic year, the in-
23 stitution of higher education shall pay to
24 the Secretary for such year after such first
25 academic year an amount equal to 40 per-

1 cent of the total amount of funds made
2 available under subsection (d) to the insti-
3 tution during the 5 academic years pre-
4 ceding the academic year for which the
5 penalty is due under this clause. The Sec-
6 retary shall use such penalty fees to fund
7 the completion improvement program
8 under subsection (d) and the completion
9 bonus program under subsection (e).

10 “(iii) THIRD PENALTY YEAR.—Two
11 years after the first academic year for
12 which an institution of higher education
13 that is not a proprietary institution of
14 higher education (as defined in section
15 102(b)) pays a penalty under clause
16 (i)(I)(bb), the Secretary shall determine
17 the average percentage for such second
18 year after such first academic year and the
19 2 preceding academic years of first-time,
20 full-time bachelor’s degree-seeking students
21 who enrolled at the institution who grad-
22 uate within 6 years. If such average per-
23 centage is less than the threshold mark de-
24 scribed in paragraph (2)(B)(ii) for such
25 second year after such first academic year,

1 the institution of higher education shall
2 pay to the Secretary for such second year
3 after such first academic year an amount
4 equal to 50 percent of the total amount of
5 funds made available under subsection (d)
6 to the institution during the 6 academic
7 years preceding the academic year for
8 which the penalty is due under this clause.
9 The Secretary shall use such penalty fees
10 to fund the completion improvement pro-
11 gram under subsection (d) and the comple-
12 tion bonus program under subsection (e).

13 “(iv) PROHIBITIONS.—An institution
14 of higher education that is subject to a
15 penalty under this subparagraph—

16 “(I) shall ensure that students
17 enrolled at the institution receive the
18 full amount of funding under this title
19 they would otherwise have received
20 had the institution not been subject to
21 such penalty; and

22 “(II) may not, in order to pay for
23 the penalty fee—

24 “(aa) reduce the amount of
25 institutional need-based grant aid

1 awarded to students to attend
2 the institution; and

3 “(bb) raise tuition or fees.

4 “(v) WAIVER.—The Secretary may
5 waive or reduce a penalty under this sub-
6 paragraph if the Secretary determines such
7 a waiver is necessary to avoid extreme
8 hardship for the students enrolled at the
9 institution of higher education on which
10 the penalty would be imposed.

11 “(vi) PAYMENT PLAN.—The Secretary
12 may allow an institution of higher edu-
13 cation that owes a penalty under this sub-
14 paragraph to enter into a payment plan to
15 pay such penalty amount.

16 “(F) APPEALS.—

17 “(i) IN GENERAL.—An institution of
18 higher education that is subject to a pen-
19 alty under this paragraph may appeal the
20 decision to impose such penalty to the Sec-
21 retary.

22 “(ii) CONTENT OF APPEAL.—The ap-
23 peals process shall permit the institution to
24 demonstrate, to the satisfaction of the Sec-
25 retary that there is some unforeseen and

1 extreme circumstance that should warrant
2 a waiver from such penalty, a reduction in
3 the amount of such penalty, or removal of
4 the institution from the bottom 5 percent
5 of those institutions ranked under para-
6 graph (2)(B).

7 “(d) COMPLETION IMPROVEMENT PROGRAM.—

8 “(1) IN GENERAL.—From funds available
9 under paragraph (5), the Secretary shall establish a
10 completion improvement program to award grants to
11 eligible institutions of higher education to support
12 reforms to improve completion rates.

13 “(2) ELIGIBLE INSTITUTIONS.—An institution
14 of higher education is eligible to receive a grant
15 under this subsection if the institution—

16 “(A) is a public or other nonprofit institu-
17 tion of higher education that is in the bottom
18 5 percent of those institutions ranked under
19 subsection (c)(2)(B);

20 “(B) has not been removed from the bot-
21 tom 5 percent of those institutions ranked pur-
22 suant to paragraph (2)(B)(iii)(III) or (3)(A) of
23 subsection (c); and

24 “(C) has not elected to be exempt under
25 subsection (c)(1)(B).

1 “(3) DETERMINATION OF GRANT AMOUNT.—

2 “(A) IN GENERAL.—In awarding grants
3 under this subsection, the Secretary shall deter-
4 mine a grant amount for each eligible institu-
5 tion according to the formula under subpara-
6 graph (B).

7 “(B) GRANT AMOUNT FORMULA.—

8 “(i) IN GENERAL.—Except as pro-
9 vided in clause (iii), the grant amount for
10 an eligible institution described in para-
11 graph (2) for a fiscal year shall be equal
12 to the Pell weight of such institution for
13 the fiscal year, determined under clause
14 (ii), multiplied by the amount available
15 under paragraph (5) for such fiscal year.

16 “(ii) PELL WEIGHT.—

17 “(I) IN GENERAL.—The Pell
18 weight of an eligible institution for a
19 fiscal year shall be equal to a percent-
20 age that is determined by dividing the
21 institution’s Pell enrollment deter-
22 mined under subclause (II) for the fis-
23 cal year by the total Pell enrollment
24 determined under subclause (III) for
25 the fiscal year.

1 “(II) INSTITUTION’S PELL EN-
2 ROLLMENT.—An eligible institution’s
3 Pell enrollment for a fiscal year shall
4 be equal to the percentage of bach-
5 elor’s degree-seeking students enrolled
6 at the institution for the academic
7 year that ended immediately pre-
8 ceding such fiscal year who received a
9 Federal Pell Grant for such academic
10 year.

11 “(III) TOTAL PELL ENROLL-
12 MENT.—The total Pell enrollment for
13 a fiscal year shall be equal to the sum
14 of the percentages of bachelor’s de-
15 gree-seeking students enrolled at each
16 eligible institution, described in para-
17 graph (2), for the academic year that
18 ended immediately preceding such fis-
19 cal year who received a Federal Pell
20 Grant for such academic year.

21 “(iii) MAXIMUM GRANT AMOUNT.—
22 The maximum grant amount for an eligible
23 institution described in paragraph (2) for a
24 fiscal year shall be \$2,000,000. An eligible
25 institution may choose to receive a grant

1 amount that is less than \$2,000,000. Any
2 amounts available under paragraph (5) for
3 such fiscal year that are remaining after
4 awarding grants in accordance with this
5 subparagraph shall be used to carry out
6 the completion bonus program under sub-
7 section (e).

8 “(4) USE OF FUNDS.—An institution of higher
9 education that receives a grant under this subsection
10 shall use the grant funds for reforms and practices
11 that are part of the improvement plan of the institu-
12 tion, as described under subsection (c)(3)(B)(i),
13 which may include the following:

14 “(A) Increasing funds available for Federal
15 Work-Study Programs for undergraduate stu-
16 dents.

17 “(B) Increasing need-based institutional
18 aid to students who are eligible for Federal Pell
19 Grants.

20 “(C) Enhancing academic advising and
21 student support services.

22 “(D) Expanding accelerated learning op-
23 portunities.

24 “(E) Improving remedial course offerings.

1 “(F) Data- and technology-driven efforts
2 to increase college completion rates.

3 “(G) Enhancing regular and proactive ca-
4 reer advising and loan counseling services, in-
5 cluding post-enrollment services.

6 “(H) Efforts to close completion gaps—

7 “(i) between non-low-income or work-
8 ing class students and low-income or work-
9 ing class students; and

10 “(ii) between non-underrepresented
11 minority students and underrepresented
12 minority students.

13 “(5) AVAILABLE FUNDS.—Funds shall be avail-
14 able to carry out this subsection from the penalty
15 fees collected under subsections (b)(3)(E) and
16 (c)(3)(E).

17 “(e) COMPLETION BONUS PROGRAM.—

18 “(1) IN GENERAL.—From funds available
19 under paragraph (5), the Secretary shall establish a
20 completion bonus program to award grants on a
21 competitive basis to eligible institutions of higher
22 education to support reforms to improve completion
23 rates.

1 “(2) ELIGIBLE INSTITUTIONS.—An institution
2 of higher education is eligible to receive a grant
3 under this subsection if the institution—

4 “(A) is not in the bottom 5 percent of
5 those institutions ranked under subsection
6 (c)(2)(B); and

7 “(B) is not in the bottom 5 percent of
8 those institutions ranked under subsection
9 (b)(2)(B).

10 “(3) APPLICATION AND PRIORITY.—

11 “(A) APPLICATION.—An eligible institution
12 that desires a grant under this subsection shall
13 submit an application to the Secretary at such
14 time, in such manner, and containing such in-
15 formation as the Secretary may require.

16 “(B) CONSIDERATION AND PRIORITY.—In
17 awarding grants under this subsection, the Sec-
18 retary—

19 “(i) may consider an eligible institu-
20 tion’s affordability, student loan repayment
21 rate, and other factors; and

22 “(ii) shall give priority to an eligible
23 institution that is a part B institution (as
24 defined in section 322) or a minority-serv-

1 ing institution (as described in section
2 371(a)).

3 “(4) USE OF FUNDS.—An eligible institution
4 that receives a grant under this subsection shall use
5 the grant funds for reforms and practices to improve
6 completion rates, which may include the following:

7 “(A) Increasing funds available for Federal
8 Work-Study Programs for undergraduate stu-
9 dents.

10 “(B) Increasing need-based institutional
11 aid to students who are eligible for Federal Pell
12 Grants.

13 “(C) Enhancing academic advising and
14 student support services.

15 “(D) Expanding accelerated learning op-
16 portunities.

17 “(E) Improving remedial course offerings.

18 “(F) Data- and technology-driven efforts
19 to increase college completion rates.

20 “(G) Enhancing regular and proactive ca-
21 reer advising and loan counseling services, in-
22 cluding post-enrollment services.

23 “(H) Efforts to close completion gaps—

1 “(i) between non-low-income or work-
2 ing class students and low-income or work-
3 ing class students; and

4 “(ii) between non-underrepresented
5 minority students and underrepresented
6 minority students.

7 “(5) AVAILABLE FUNDS.—Funds shall be avail-
8 able to carry out this subsection from funds from
9 the penalty fees collected under subsections
10 (b)(3)(E) and (c)(3)(E) that are remaining after
11 grants are awarded for the completion improvement
12 program under subsection (d).

13 “(f) NON-FINANCIAL REWARD BONUS PROGRAM.—

14 “(1) IN GENERAL.—The Secretary shall award
15 non-financial rewards to institutions of higher edu-
16 cation that have a proven record of making college
17 more affordable and increasing college access and
18 success for low-income or working class students and
19 moderate-income students.

20 “(2) INSTITUTIONAL ELIGIBILITY.—An institu-
21 tion of higher education is eligible for a non-finan-
22 cial reward under this subsection for an academic
23 year if—

24 “(A) the percentage of first-time, full-time
25 bachelor’s degree-seeking students who enrolled

1 at the institution for the academic year who re-
2 ceived a Federal Pell Grant for such academic
3 year falls within the top 50 percent of ranked
4 institutions, as determined by the Secretary for
5 the academic year;

6 “(B) the percentage of first-time, full-time
7 bachelor’s degree-seeking students who enrolled
8 at the institution who graduate within 6 years
9 falls within the top 25 percent of ranked insti-
10 tutions, as determined by the Secretary for the
11 academic year; and

12 “(C) the institution is not under Federal
13 investigation for a sanction for an academic or
14 financial irregularity.

15 “(3) APPLICATIONS.—An institution of higher
16 education that desires to receive a non-financial re-
17 ward under this subsection shall submit an applica-
18 tion to the Secretary at such time, in such manner,
19 and containing such information as the Secretary
20 may require.

21 “(4) PRIORITY.—Priority in awarding non-fi-
22 nancial rewards under this subsection shall go to in-
23 stitutions of higher education that have small or di-
24 minishing gaps in the completion rates—

1 “(A) between non-low-income or working
2 class students and low-income or working class
3 students; and

4 “(B) between non-underrepresented minor-
5 ity students and underrepresented minority stu-
6 dents.

7 “(5) NON-FINANCIAL REWARDS.—Non-financial
8 rewards under this subsection may include the fol-
9 lowing:

10 “(A) Reporting less frequently and avoid-
11 ing duplicative reporting requirements.

12 “(B) Extra points in Department grant
13 competitions for which institutions of higher
14 education are eligible entities.

15 “(C) Waiving the multiple disbursement
16 rule or disbursement delays.

17 “(D) Preferable status for experimental
18 sites.

19 “(g) BEST PRACTICES.—The Secretary shall estab-
20 lish a publicly available electronic database identifying
21 best practices—

22 “(1) of institutions of higher education that
23 were in the bottom 5 percent of those institutions
24 ranked under the improving college access program
25 under subsection (b) or the improving college com-

1 pletion program under subsection (e) for academic
2 year 2017–2018 or for any succeeding academic
3 year and that have improved their ranking;

4 “(2) of eligible institutions of higher education
5 awarded grants under the completion bonus program
6 under subsection (e) to support reforms to improve
7 completion rates; and

8 “(3) that the Secretary has determined in car-
9 rying out this section.

10 “(h) ACCOUNTABILITY RULE OF CONSTRUCTION.—
11 Nothing in this section shall be construed to affect ac-
12 countability provisions under other sources of law.

13 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated to carry out this section
15 such sums as may be necessary.”.

16 (b) REPORT TO CONGRESS.—Not later than 2 years
17 after the date of enactment of this Act, the Secretary of
18 Education shall submit a report to Congress that provides
19 recommendations on ways to expand section 493E of the
20 Higher Education Act of 1965, as added by subsection
21 (a), to institutions with predominantly associate’s-degree
22 seeking students, as well as other institutions of higher
23 education not covered by such section.

○