

116TH CONGRESS
1ST SESSION

S. 2559

To establish certain requirements for institutions that participate in the Federal Direct loan program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 2019

Mr. SCOTT of Florida introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To establish certain requirements for institutions that participate in the Federal Direct loan program, 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 “Student Training and
5 Education Metrics Act of 2019”.

6 **SEC. 2. RISK-SHARING PAYMENTS.**

7 Section 454 of the Higher Education Act of 1965 (20
8 U.S.C. 1087d(a)) is amended—

9 (1) in subsection (a)—

1 (A) in paragraph (5), by striking “and”
2 after the semicolon;

3 (B) by redesignating paragraph (6) as
4 paragraph (8); and

5 (C) by inserting after paragraph (5) the
6 following:

7 “(6) provide that the institution accepts the in-
8 stitutional risk-sharing requirements under sub-
9 section (d);” and

10 (2) by adding at the end the following:

11 “(d) INSTITUTIONAL RISK-SHARING BASED ON
12 LOAN DEFAULT.—

13 “(1) IN GENERAL.—Beginning with fiscal year
14 2022, and each succeeding fiscal year, each institu-
15 tion of higher education participating in the direct
16 student loan program under this part shall remit to
17 the Secretary, at such times as the Secretary may
18 specify, an institutional risk-sharing payment, as de-
19 termined under paragraph (2).

20 “(2) DETERMINATION OF RISK-SHARING PAY-
21 MENTS.—

22 “(A) DETERMINATION OF COHORT LOAN
23 BALANCE.—The cohort loan balance of an insti-
24 tution for a fiscal year equals the total principal
25 amount of all loans made under this part to at-

1 tend such institution for the cohort of bor-
2 rowers who entered repayment, deferment, or
3 forbearance on such loans in the third pre-
4 ceding fiscal year for which the determination is
5 made.

6 “(B) DETERMINATION OF COHORT NON-
7 REPAYMENT LOAN BALANCE.—The cohort non-
8 repayment loan balance of an institution for a
9 fiscal year equals, from the total amount of the
10 loans described in subparagraph (A), the total
11 loan balance of those borrowers who have gone
12 into default in the 3 consecutive fiscal years
13 since their loans entered repayment, deferment,
14 or forbearance.

15 “(C) DETERMINATION OF PAYMENT.—The
16 risk-sharing payment of an institution for a fis-
17 cal year shall equal:

18 “(i) For the first year after the date
19 of enactment of this Act, an amount equal
20 to 1 percent of the cohort nonrepayment
21 loan balance determined under subpara-
22 graph (B).

23 “(ii) For the second year after the
24 date of enactment of this Act through the
25 ninth year after the date of enactment of

1 this Act, an amount equal to 2 percent of
2 the cohort nonrepayment loan balance de-
3 termined under subparagraph (B) through
4 9 percent of that balance, respectively for
5 each year.

6 “(iii) For the tenth year after the
7 date of enactment of this Act, and for any
8 successive year, an amount equal to 10
9 percent of the cohort nonrepayment loan
10 balance determined under subparagraph
11 (B).”.

12 **SEC. 3. PROGRAM INTEGRITY.**

13 (a) INSTITUTIONAL REPORTING.—Section 454 of the
14 Higher Education Act of 1965 (20 U.S.C. 1087d(a)), as
15 amended by section 2, is further amended—

16 (1) in subsection (a), by inserting after para-
17 graph (6) (as added by section 2), the following:

18 “(7) provide that the institution will collect and
19 report to the Secretary, by July 1 of each year, data
20 regarding—

21 “(A) the 6-year graduation rate for each
22 academic program offered at the institution;

23 “(B) the percentage of graduates who are
24 employed full-time or continuing their education
25 full-time 1, 3, and 5 years after graduating;

1 “(C) the median full-time wages of grad-
2 uates for each academic program 1, 3, and 5
3 years after graduating;

4 “(D) the total cost of tuition and fees for
5 the mandatory credit hours necessary to grad-
6 uate with a degree for each academic program;
7 and

8 “(E) the cost to graduate with a degree for
9 each academic program (including tuition, fees,
10 room and board, and books and supplies); and”;
11 and

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

13 “(e) PUBLICLY AVAILABLE INFORMATION.—The
14 Secretary shall publish and make publicly available the
15 data described in subsection (a)(7).”.

16 (b) PROGRAM REVIEW AND DATA.—Section
17 498A(a)(1) of the Higher Education Act of 1965 (20
18 U.S.C. 1099c–1(a)(1)) is amended by striking “title;” and
19 inserting “title, which shall include annually collecting and
20 reporting, for each institution—

21 “(A) the average amount of Federal stu-
22 dent loan debt owed for an individual student
23 on the date of graduation from that institution;
24 and

1 “(B) the rate of loan deferment, rate of
2 forbearance, rate of default, and rate of delin-
3 quency (each expressed separately) for bor-
4 rowers of all Federal student loans, 5, 7, and
5 10 years after the borrowers’ date of gradua-
6 tion from the institution;”.

7 **SEC. 4. PROHIBITION ON TUITION AND FEE INCREASES.**

8 An institution of higher education (as defined in sec-
9 tion 102 of the Higher Education Act of 1965 (20 U.S.C.
10 1002)) shall not be eligible to receive any Federal funds
11 if that institution raises the amount of tuition and fees
12 charged above the amount of tuition and fees charged for
13 the 2019–2020 award year.

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