To amend the Higher Education Act of 1965 to strengthen Federal-State partnerships in postsecondary education.

IN THE SENATE OF THE UNITED STATES
December 11, 2019

Mr. REED (for himself and Ms. COLLINS) 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 strengthen Federal-State partnerships in postsecondary education.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Partnerships for Af-
fordability and Student Success Act”.

SEC. 2. STATE COMMITMENT TO AFFORDABLE COLLEGE EDUCATION.

Section 137 of the Higher Education Act of 1965 (20 U.S.C. 1015f) is amended—
(1) by striking subsection (a) and inserting the following:

“(a) MAINTENANCE OF EFFORT REQUIRED.—For the academic year beginning on July 1, 2020, and for each of the 4 succeeding academic years, a State shall—

“(1) maintain State support for institutions of higher education (not including support for capital projects or research and development, or tuition and fees paid by students) at a level that is equal to or greater than the average level of such support for the 3 most recent academic years for which satisfactory data are available; and

“(2) maintain State support for student financial aid for paying costs associated with postsecondary education at a level that is equal to or greater than the average level of such support for the 3 most recent academic years for which satisfactory data are available.”;

(2) by striking subsection (c) and inserting the following:

“(c) WAIVER.—

“(1) IN GENERAL.—The Secretary shall waive the requirements of subsection (a) if the Secretary determines that such a waiver would be appropriate due to exceptional or uncontrollable circumstances,
such as a natural disaster or a precipitous decline in
the financial resources of a State or State edu-
cational agency, as appropriate.

“(2) CONSULTATION.—The Secretary shall con-
sult with the States in developing the criteria and
procedures for reviewing waiver requests.

“(3) TIMELINE.—Not later than 120 days after
the date of enactment of the Partnerships for Af-
fordability and Student Success Act, the Secretary
shall publish the criteria and procedures for review-
ing waiver requests under this subsection.”; and

(3) by striking subsection (d).

SEC. 3. FEDERAL AND STATE PARTNERSHIPS FOR COL-
LEGE ACCESS, AFFORDABILITY, AND COM-
PLETION.

Subpart 4 of part A of title IV of the Higher Edu-
cation Act of 1965 (20 U.S.C. 1070c et seq.) is amended
to read as follows:

“Subpart 4—Federal and State Partnerships for
College Access, Affordability, and Completion

“SEC. 415A. PURPOSE.

“It is the purpose of this subpart for the Secretary
to make incentive grants to States to assist States in—

“(1) providing grants to eligible students at-
tending institutions of higher education or partici-
participating in programs of study abroad that are approved for credit by institutions of higher education at which such students are enrolled;

“(2) reducing the cost of attendance at public institutions of higher education;

“(3) providing subgrants to eligible institutions or consortia of eligible institutions—

“(A) to improve student outcomes, such as completion and transfer rates, attainment of postsecondary degrees and credentials, and workforce outcomes for graduates; and

“(B) to develop and implement practices that result in reduced costs for students; and

“(4) providing public accountability and consumer information on the performance of institutions of higher education operating within the State.

“SEC. 415B. STATE ELIGIBILITY; ELIGIBLE INSTITUTIONS.

“(a) INCENTIVE GRANTS.—The Secretary shall award incentive grants, in accordance with the provisions of this subpart, to States to pay the Federal share of the cost of carrying out the activities described in paragraphs (1) through (3) of section 415A. The incentive grant shall consist of the allotment determined for the State under section 415C.
“(b) State Eligibility.—In order to be eligible to receive an incentive grant under this subpart, a State shall enter into an agreement with the Secretary. The agreement shall contain the following assurances:

“(1) Federal funds received by the State under this subpart will supplement and not supplant other Federal and State funds otherwise available to carry out activities described in this subpart.

“(2) The State will maintain its commitment to affordable higher education as described in section 137.

“(3) The State will fulfill its role in program integrity under section 495.

“(4) The State or a State-designated entity has or will develop a comprehensive plan for public postsecondary education that addresses the following:

“(A) Measurable goals for student outcomes, including enrollment, completion, and attainment of postsecondary degrees and credentials.

“(B) Measurable goals for college affordability in the State.

“(C) Alignment of such plan with the economic development plans that the State may have, including the unified State plan submitted
under section 102 of the Workforce Innovation and Opportunity Act.

“(D) Alignment of such plan with the elementary and secondary education plan for the State.

“(E) The postsecondary educational needs of unserved and underserved individuals within the State, including individuals beyond traditional college age and students attending part time.

“(5) The State provides for direct, equitable, and active participation by representatives of institutions of higher education, including the voluntary participation of private, nonprofit institutions of higher education, and other stakeholders in the comprehensive planning process.

“(c) ELIGIBLE INSTITUTIONS.—In this subpart, the term ‘eligible institution’ means—

“(1) an institution of higher education, as defined in section 101(a);

“(2) an institution of higher education, as defined in section 101(a), in partnership with—

“(A) a nonprofit or community-based organization that has demonstrated success in im-
proving student outcomes in postsecondary education; or

“(B) a local workforce investment board; or

“(3) a consortium of institutions of higher education, as defined in section 101(a).

“SEC. 415C. ALLOTMENT AMONG STATES.

“(a) ALLOTMENT BASED ON NUMBER OF ELIGIBLE STUDENTS IN ATTENDANCE.—

“(1) IN GENERAL.—Except as provided in subsection (b), from the sums appropriated under section 415H for a fiscal year, the Secretary shall allot to each eligible State for such fiscal year an amount equal to the sum of—

“(A) an amount that bears the same relationship to 50 percent of the amount appropriated under section 415H for such fiscal year as the number of residents in the State aged 5 through 17 who are living below the poverty line applicable to the resident’s family size (as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902)) bears to the total number of such residents in all States; and
“(B) an amount that bears the same relationship to 50 percent of the amount appropriated under section 415H for such fiscal year as the number of residents in the State aged 25 and older who have not attained a postsecondary degree or credential (as determined by the American Community Survey) bears to the total number of such residents in all States.

“(2) DATA.—The Secretary shall calculate such ratio based on data for the most recent year for which satisfactory data are available.

“(b) MINIMUM ALLOTMENT.—The amount of any eligible State’s allotment under subsection (a) for any fiscal year may not be less than 1 percent of the sums appropriated under section 415H for such year.

“(c) REALLOTMENT.—The amount of any State’s allotment under subsection (a) for any fiscal year which the Secretary determines will not be required for such fiscal year for the Federal-State partnership program of that State shall be available for reallocation from time to time, on such dates during such year as the Secretary may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Secretary
estimates such State needs and will be able to use for such year for carrying out the State plan. The total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced.

“(d) ALLOTMENTS SUBJECT TO COMPLIANCE.—The Secretary shall make payments for incentive grants under this subpart only to States that continue to meet the requirements of this subpart.

“SEC. 415D. APPLICATIONS.

“(a) IN GENERAL.—In order to receive an incentive grant under this subpart, the State agency with jurisdiction over higher education, or another agency or entity designated by the Governor or chief executive of the State to administer the program under this subpart, shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

“(b) CONTENT OF APPLICATION.—An application submitted under subsection (a) shall contain—

“(1) a description of how grant funds will assist the State in meeting its goals for student outcomes, including enrollment, completion, and attainment of postsecondary degrees and credentials;

“(2) a description of how the grant funds will assist the State in meeting its goals for college af-
fordability, including any measures to minimize tuition costs at public institutions of higher education and measures to increase the availability of need-based student aid;

“(3) a description of how grant funds will assist the State in meeting the postsecondary needs of underrepresented or underserved populations in the State, including individuals beyond traditional college age and students attending part time;

“(4) a description of how the State’s comprehensive plan for public higher education is aligned with the workforce and economic development plans of the State;

“(5) a description of the process the State will use to make subgrants to eligible institutions or consortia of eligible institutions;

“(6) a description of how the State will evaluate the effectiveness of such subgrants and how the State will disseminate information on promising practices developed as a result of such subgrants;

“(7) a description of how the State will make publicly available an annual report on the progress in meeting State goals for public postsecondary education; and
“(8) a description of the stakeholder consultation, including efforts to engage the voluntary participation of private, nonprofit institutions, carried out in the development of the application.

“(c) Approval.—

“(1) In general.—An application submitted under subsection (a) shall be subject to the approval of the Secretary.

“(2) Timeline.—An application submitted under subsection (a) shall be considered to be approved at the end of the 90-day period beginning on the day the application is submitted, unless the Secretary makes a written determination, during the 90-day period, that the application is inconsistent with the provisions of this subpart.

“SEC. 415E. PAYMENT OF FEDERAL SHARE OF GRANTS.

“(a) In general.—

“(1) Distribution.—A State awarded an incentive grant under this subpart—

“(A) shall use grant funds to award student grants; and

“(B) may use grant funds to award subgrants to eligible institutions.

“(2) Grants to students.—A State awarded an incentive grant under this subpart shall establish
a program to award grants to students that complies
with the following:

“(A) The program is administered by a
single State agency.

“(B) The program provides that an insti-
tution of higher education that had a student
who received funds under this subpart at any
time beginning on July 1, 2010, through the
day before the date of enactment of the Part-
nerships for Affordability and Student Success
Act and that is eligible to participate in a pro-
gram authorized under this title, shall be eligi-
ble to participate under this paragraph.

“(C) The program provides that such
grants to students will be in amounts not to ex-
ceed the student’s cost of attendance per aca-
demic year for attendance at an institution of
higher education. Such grants, in combination
with other State or Federal student assistance,
shall not exceed the student’s cost of attend-
ance in any given academic year.

“(D) The program provides for the selec-
tion of grant recipients on the basis of substan-
tial financial need determined under part F and
by the State.
“(E) The program provides that if the State’s allotment under this subpart is based, in part, on the financial need demonstrated by students who are independent students or attending the institution less than full time, a reasonable proportion of the State’s allotment shall be made available to such students.

“(F) The program will notify students receiving grants under this subpart that such grants are Federal-State partnership grants and are funded by the Federal Government and the State.

“(3) SUBGRANTS TO ELIGIBLE INSTITUTIONS.—A State awarded an incentive grant under this subpart may establish a program to award subgrants to eligible institutions that complies with the following:

“(A) The program is administered by a single State agency.

“(B) The program provides for the selection of subgrant recipients based on criteria set by the State agency.

“(C) The program provides for subgrants that support activities that will assist the State in achieving—
“(i) the State’s measurable goals for student outcomes, including enrollment, completion, and attainment of postsecondary degrees and credentials;

“(ii) the State’s measurable goals for college affordability, including innovative methods for reducing costs; and

“(iii) improved workforce outcomes for graduates.

“(D) The program provides for public dissemination of the results of the subgrant activities.

“(4) Fiscal control; reports.—A State awarded an incentive grant under this subpart shall provide—

“(A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid under this subpart; and

“(B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Secretary to perform the Secretary’s functions under this subpart.
“(b) Reservation and Disbursement of Allotments and Reallocation.—

“(1) In general.—Upon approval of an application for an incentive grant under this subpart, the Secretary shall reserve from the applicable allotment (including any applicable reallocation) available, the amount of such payment, which (subject to the limits of such allotment or reallocation) shall be equal to the Federal share of the cost of the grants to students or subgrants to eligible institutions or consortia of such institutions covered by such application.

“(2) Payment.—The Secretary shall pay such reserved amount, in advance or by way of reimbursement, and in such installments as the Secretary may determine.

“(3) Amendment.—The Secretary may amend the reservation of any amount under this subsection, either upon approval of an amendment of the application or upon revision of the estimated cost of the grants to students or subgrants to eligible institutions with respect to which such reservation was made. If the Secretary approves an upward revision of such estimated cost, the Secretary may reserve the Federal share of the added cost only from the
applicable allotment (or reallocation) available at the
time of such approval.

“(c) FEDERAL SHARE.—The Federal share of the
cost of carrying out the activities described in paragraphs
(1) through (3) of section 415A is equal to 66.66 percent.

“(d) CERTAIN ACTIVITIES FOR WHICH NON-FED-
eral Share May Be Provided in Cash or in Kind.—
For activities described in section 415A(2), the non-Fed-
eral share may be provided in cash or in kind, fairly eval-
uated.

“(e) REPORTING.—A State that desires to receive
payments for continuing incentive grants under this sub-
part shall report the following information to the Sec-
retary on an annual basis:

“(1) The State’s progress in meeting its goals
for college affordability, including measures to mini-
mize tuition increases at public institutions and
measures to increase the availability of need-based
student aid.

“(2) The State’s progress in meeting the post-
secondary needs of underrepresented or underserved
populations in the State.

“(3) A list of any subgrants made to eligible in-
stitutions.
“(4) The State’s annual report described in section 415F.

SEC. 415F. ANNUAL REPORTS.

“Each State that receives an allotment under this subpart shall report annually to the public on its progress in meeting its public postsecondary education goals and comprehensive plan for public higher education. Such report shall include—

“(1) information, as determined by the State in consultation with stakeholders, on student outcomes, including enrollment and completion rates, disaggregated by age, enrollment status, race, ethnicity, disability status, and socio-economic status;

“(2) information, as determined by the State in consultation with stakeholders, on workforce outcomes for graduates;

“(3) information on college costs, including tuition increases, student indebtedness, and the availability of need-based aid; and

“(4) information on the consumer complaints related to the performance of institutions of higher education reported to the State in the prior year.
"SEC. 415G. PARTICIPATION OF PRIVATE, NONPROFIT INSTITUTIONS OF HIGHER EDUCATION.

"(a) Voluntary Participation.—A private, nonprofit institution of higher education may voluntarily elect to participate in a State's efforts under the plan described in section 415B(b)(4). A State—

"(1) shall not require any private, nonprofit institution to participate in such efforts; and

"(2) may require such an institution that voluntarily elects to participate in such efforts to provide appropriate information to allow the State to assess the institution’s progress towards the goals and activities described in subparagraphs (A) through (E) of section 415B(b)(4).

"(b) Rule of Construction.—Nothing in this subpart, including voluntary participation described in subsection (a), shall be construed to—

"(1) authorize the Secretary, a State, or an officer or employee of the Department or of a State to exercise any direction, supervision, or control over a private, nonprofit institution of higher education, including control over curriculum, program of instruction, administration, governance, personnel, articulation, the awarding of credit, graduation or degree requirements, or admissions; or

“(c) ENFORCEMENT.—If any State fails or refuses to comply with any provision of this section, the State shall no longer be eligible for assistance under this subpart.

“SEC. 415H. AUTHORIZATION OF APPROPRIATIONS; RESERVATIONS.

“(a) IN GENERAL.—There are authorized to be appropriated to carry out this subpart such sums as may be necessary for fiscal year 2021 and each of the 4 succeeding fiscal years.

“(b) RESERVATION.—Not less than 50 percent of funds allotted to a State under this subpart shall be reserved for providing grants to eligible students.

“(c) RESERVATION FOR CONSUMER INFORMATION AND ADMINISTRATIVE EXPENSES.—Not more than 8 percent of the funds allotted to a State may be used to provide public accountability and consumer information on the performance of institutions of higher education and for administering the grant.”.