

113TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. REED introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

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

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 “Partnerships for Af-
5 fordability and Student Success Act”.

6 **SEC. 2. STATE COMMITMENT TO AFFORDABLE COLLEGE**
7 **EDUCATION.**

8 Section 137 of the Higher Education Act of 1965 (20
9 U.S.C. 1015f) is amended—

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

3 “(a) MAINTENANCE OF EFFORT REQUIRED.—For
4 the academic year beginning on July 1, 2013, and for each
5 of the 4 succeeding academic years, a State shall—

6 “(1) maintain State support for institutions of
7 higher education (not including support for capital
8 projects or research and development, or tuition and
9 fees paid by students) at least at the level of such
10 support for the academic year beginning on July 1,
11 2012; and

12 “(2) maintain State support for student finan-
13 cial aid for paying costs associated with postsec-
14 ondary education at least at the level of such sup-
15 port for the academic year beginning on July 1,
16 2012.”;

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

19 “(c) WAIVER.—

20 “(1) IN GENERAL.—The Secretary shall waive
21 the requirements of subsection (a) if the Secretary
22 determines that such a waiver would be appropriate
23 due to exceptional or uncontrollable circumstances,
24 such as a natural disaster or a precipitous decline in

1 the financial resources of a State or State edu-
2 cational agency, as appropriate.

3 “(2) NO REQUIREMENT TO AMEND BUDGET.—
4 The Secretary shall not require a State to make
5 changes to an enacted budget as a condition of re-
6 ceiving a waiver under paragraph (1).

7 “(3) CONSULTATION.—The Secretary shall con-
8 sult with the States in developing the criteria and
9 procedures for reviewing waiver requests.”; and
10 (3) by striking subsection (d).

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

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

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

19 **“SEC. 415A. PURPOSE.**

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

22 “(1) providing grants to eligible students at-
23 tending institutions of higher education or partici-
24 pating in programs of study abroad that are ap-

1 proved for credit by institutions of higher education
2 at which such students are enrolled;

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

5 “(A) to improve student outcomes, such as
6 completion and transfer rates and workforce
7 outcomes for graduates; and

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

10 “(3) providing public accountability and con-
11 sumer information on the performance of institu-
12 tions of higher education operating within the State.

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

14 “(a) INCENTIVE GRANTS.—The Secretary shall
15 award incentive grants, in accordance with the provisions
16 of this subpart, to States to pay the Federal share of the
17 cost of carrying out the activities described in paragraphs
18 (1) through (3) of section 415A. The incentive grant shall
19 consist of the allotment determined for the State under
20 section 415C.

21 “(b) STATE ELIGIBILITY.—In order to be eligible to
22 receive an incentive grant under this subpart, a State shall
23 enter into an agreement with the Secretary. The agree-
24 ment shall contain the following assurances:

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

5 “(2) The State will maintain its commitment to
6 affordable higher education as described in section
7 137.

8 “(3) The State will fulfill its role in program in-
9 tegrity under section 495.

10 “(4) The State has a comprehensive plan for
11 public postsecondary education that addresses the
12 following:

13 “(A) Measurable goals for student out-
14 comes, including enrollment and completion.

15 “(B) Measurable goals for college afford-
16 ability in the State.

17 “(C) Alignment of such plan with the
18 workforce and economic development plans of
19 the State.

20 “(D) Alignment of such plan with the ele-
21 mentary and secondary education plan for the
22 State.

23 “(E) The postsecondary educational needs
24 of unserved and underserved individuals within

1 the State, including individuals beyond tradi-
2 tional college age.

3 “(5) The State provides for direct, equitable,
4 and active participation by representatives of institu-
5 tions of higher education, including the voluntary
6 participation of private, nonprofit institutions of
7 higher education, and other stakeholders in the com-
8 prehensive planning process.

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

11 “(1) an institution of higher education, as de-
12 fined in section 101(a);

13 “(2) an institution of higher education, as de-
14 fined in section 101(a), in partnership with—

15 “(A) a nonprofit or community-based orga-
16 nization that has demonstrated success in im-
17 proving student outcomes in postsecondary edu-
18 cation; or

19 “(B) a local workforce investment board;
20 or

21 “(3) a consortium of institutions of higher edu-
22 cation, as defined in section 101(a).

23 **“SEC. 415C. ALLOTMENT AMONG STATES.**

24 “(a) ALLOTMENT BASED ON NUMBER OF ELIGIBLE
25 STUDENTS IN ATTENDANCE.—Except as provided in sub-

1 section (b), from the sums appropriated under section
2 415H for a fiscal year, the Secretary shall allot to each
3 eligible State for such fiscal year an amount that bears
4 the same ratio to such sums as the number of students
5 residing in such State who are eligible for a Federal Pell
6 Grant bears to the total number of such students in all
7 the eligible States. The Secretary shall calculate such ratio
8 based on data for the most recent year for which satisfac-
9 tory data are available.

10 “(b) MINIMUM ALLOTMENT.—The amount of any eli-
11 gible State’s allotment under subsection (a) for any fiscal
12 year may not be less than 1 percent of the sums appro-
13 priated under section 415H for such year.

14 “(c) REALLOTMENT.—The amount of any State’s al-
15 lotment under subsection (a) for any fiscal year which the
16 Secretary determines will not be required for such fiscal
17 year for the Federal-State partnership program of that
18 State shall be available for reallocation from time to time,
19 on such dates during such year as the Secretary may fix,
20 to other States in proportion to the original allotments to
21 such States under such subsection for such year, but with
22 such proportionate amount for any of such States being
23 reduced to the extent it exceeds the sum the Secretary
24 estimates such State needs and will be able to use for such
25 year for carrying out the State plan. The total of such

1 reductions shall be similarly reallocated among the States
2 whose proportionate amounts were not so reduced.

3 “(d) ALLOTMENTS SUBJECT TO COMPLIANCE.—The
4 Secretary shall make payments for incentive grants under
5 this subpart only to States that continue to meet the re-
6 quirements of this subpart.

7 **“SEC. 415D. APPLICATIONS.**

8 “(a) IN GENERAL.—In order to receive an incentive
9 grant under this subpart, the State agency with jurisdic-
10 tion over higher education, or another agency or entity
11 designated by the Governor or chief executive of the State
12 to administer the program under this subpart, shall sub-
13 mit an application to the Secretary at such time, in such
14 manner, and accompanied by such information as the Sec-
15 retary may require.

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

18 “(1) a description of how grant funds will assist
19 the State in meeting its goals for student outcomes,
20 including enrollment and completion;

21 “(2) a description of how the grant funds will
22 assist the State in meeting its goals for college af-
23 fordability, including measures to minimize tuition
24 increases and measures to increase the availability of
25 need-based student aid;

1 “(3) a description of how grant funds will assist
2 the State in meeting the postsecondary needs of
3 underrepresented or underserved populations in the
4 State;

5 “(4) a description of how the State’s com-
6 prehensive plan for public higher education is
7 aligned with the workforce and economic develop-
8 ment plans of the State;

9 “(5) a description of the process the State will
10 use to make subgrants to eligible institutions or con-
11 sortia of eligible institutions;

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

16 “(7) a description of how the State will make
17 publicly available a report card on the progress in
18 meeting State goals for public postsecondary edu-
19 cation; and

20 “(8) a description of the stakeholder consulta-
21 tion, including efforts to engage the voluntary par-
22 ticipation of private, nonprofit institutions, carried
23 out in the development of the application.

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

25 “(a) IN GENERAL.—

1 “(1) DISTRIBUTION.—A State awarded an in-
2 centive grant under this subpart—

3 “(A) shall use grant funds to award stu-
4 dent grants; and

5 “(B) may use grant funds to award sub-
6 grants to eligible institutions.

7 “(2) GRANTS TO STUDENTS.—A State awarded
8 an incentive grant under this subpart shall establish
9 a program to award grants to students that complies
10 with the following:

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

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

22 “(C) The program provides that such
23 grants to students will be in amounts not to ex-
24 ceed the student’s cost of attendance per aca-
25 demic year for attendance at an institution of

1 higher education. Such grants, in combination
2 with other State or Federal student assistance,
3 shall not exceed the student's cost of attend-
4 ance in any given academic year.

5 “(D) The program provides for the selec-
6 tion of grant recipients on the basis of substan-
7 tial financial need determined under part F and
8 by the State.

9 “(E) The program provides for the pay-
10 ment of the non-Federal share of such grants
11 from funds supplied by such State which rep-
12 resent an additional expenditure for such year
13 by such State for grants for students attending
14 institutions of higher education over the
15 amount expended by such State for such
16 grants, if any, during the second fiscal year
17 preceding the fiscal year in which such State
18 initially received funds under this subpart.

19 “(F) The program provides that if the
20 State's allotment under this subpart is based,
21 in part, on the financial need demonstrated by
22 students who are independent students or at-
23 tending the institution less than full time, a
24 reasonable proportion of the State's allotment
25 shall be made available to such students.

1 “(G) The program will notify students re-
2 ceiving grants under this subpart that such
3 grants are Federal–State partnership grants
4 and are funded by the Federal Government and
5 the State.

6 “(3) SUBGRANTS TO ELIGIBLE INSTITU-
7 TIONS.—A State awarded an incentive grant under
8 this subpart may establish a program to award sub-
9 grants to eligible institutions that complies with the
10 following:

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

13 “(B) The program provides for the selec-
14 tion of subgrant recipients based on criteria set
15 by the State agency.

16 “(C) The program provides for subgrants
17 that support activities that will assist the State
18 in achieving—

19 “(i) the State’s measurable goals for
20 student outcomes, including enrollment
21 and completion;

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

1 “(iii) improved workforce outcomes
2 for graduates.

3 “(D) The program provides for the dis-
4 semination of promising practices developed
5 through subgrant activities.

6 “(4) FISCAL CONTROL; REPORTS.—A State
7 awarded an incentive grant under this subpart shall
8 provide—

9 “(A) for such fiscal control and fund ac-
10 counting procedures as may be necessary to as-
11 sure proper disbursement of and accounting for
12 Federal funds paid under this subpart; and

13 “(B) for the making of such reports, in
14 such form and containing such information, as
15 may be reasonably necessary to enable the Sec-
16 retary to perform the Secretary’s functions
17 under this subpart.

18 “(b) RESERVATION AND DISBURSEMENT OF ALLOT-
19 MENTS AND REALLOTMENTS.—

20 “(1) IN GENERAL.—Upon approval of an appli-
21 cation for an incentive grant under this subpart, the
22 Secretary shall reserve from the applicable allotment
23 (including any applicable reallotment) available, the
24 amount of such payment, which (subject to the lim-
25 its of such allotment or reallotment) shall be equal

1 to the Federal share of the cost of the grants to stu-
2 dents or subgrants to eligible institutions or con-
3 sortia of such institutions covered by such applica-
4 tion.

5 “(2) PAYMENT.—The Secretary shall pay such
6 reserved amount, in advance or by way of reimburse-
7 ment, and in such installments as the Secretary may
8 determine.

9 “(3) AMENDMENT.—The Secretary may amend
10 the reservation of any amount under this subsection,
11 either upon approval of an amendment of the appli-
12 cation or upon revision of the estimated cost of the
13 grants to students or subgrants to eligible institu-
14 tions with respect to which such reservation was
15 made. If the Secretary approves an upward revision
16 of such estimated cost, the Secretary may reserve
17 the Federal share of the added cost only from the
18 applicable allotment (or reallocation) available at the
19 time of such approval.

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

23 “(d) CERTAIN ACTIVITIES FOR WHICH NON-FED-
24 ERAL SHARE MAY BE PROVIDED IN CASH OR IN KIND.—
25 For activities described in section 415A(2), the non-Fed-

1 eral share may be provided in cash or in kind, fairly evalu-
2 ated.

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

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

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

15 “(3) A list of any subgrants made to eligible in-
16 stitutions.

17 “(4) The State’s report card described in sec-
18 tion 415F.

19 **“SEC. 415F. STATE REPORT CARDS.**

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

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

6 “(2) information, as determined by the State in
7 consultation with stakeholders, on workforce out-
8 comes for graduates;

9 “(3) information on college costs, including tui-
10 tion increases, student indebtedness, and the avail-
11 ability of need-based aid; and

12 “(4) information on the consumer complaints
13 related to the performance of institutions of higher
14 education reported to the State in the prior year.

15 **“SEC. 415G. PARTICIPATION OF PRIVATE, NONPROFIT IN-**
16 **STITUTIONS OF HIGHER EDUCATION.**

17 “(a) VOLUNTARY PARTICIPATION.—A private, non-
18 profit institution of higher education may voluntarily elect
19 to participate in a State’s efforts under the plan described
20 in section 415B(b)(6). A State—

21 “(1) shall not require any private, nonprofit in-
22 stitution to participate in such efforts; and

23 “(2) may require such an institution that volun-
24 tarily elects to participate in such efforts to provide
25 appropriate information to allow the State to assess

1 the institution's progress towards the goals and ac-
2 tivities described in subparagraphs (A) through (E)
3 of section 415B(b)(6).

4 “(b) RULE OF CONSTRUCTION.—Nothing in this sub-
5 part, including voluntary participation described in sub-
6 section (a), shall be construed to—

7 “(1) authorize the Secretary, a State, or an of-
8 ficer or employee of the Department or of a State
9 to exercise any direction, supervision, or control over
10 a private, nonprofit institution of higher education,
11 including control over curriculum, program of in-
12 struction, administration, governance, personnel, ar-
13 ticipation, the awarding of credit, graduation or de-
14 gree requirements, or admissions;

15 “(2) authorize the Secretary, a State, or an of-
16 ficer or employee of the Department or of a State
17 to require a private, nonprofit institution of higher
18 education to participate in a longitudinal data sys-
19 tem; or

20 “(3) limit the application of the General Edu-
21 cation Provisions Act.

22 “(c) ENFORCEMENT.—If any State fails or refuses
23 to comply with any provision of this section, the State
24 shall no longer be eligible for assistance under this sub-
25 part.

1 **“SEC. 415H. AUTHORIZATION OF APPROPRIATIONS; RES-**
2 **ERVATIONS.**

3 “(a) IN GENERAL.—There are authorized to be ap-
4 propriated to carry out this subpart \$1,000,000,000 for
5 fiscal year 2014 and such sums as may be necessary for
6 each of the 4 succeeding fiscal years.

7 “(b) RESERVATION.—Not less than 70 percent of
8 funds allocated to a State shall be reserved for providing
9 grants to eligible students.

10 “(c) RESERVATION FOR CONSUMER INFORMATION
11 AND ADMINISTRATIVE EXPENSES.—Not more than 8 per-
12 cent of the funds allocated to a State may be used to pro-
13 vide public accountability and consumer information on
14 the performance of institutions of higher education and
15 for administering the grant.”.