Pell Grants
All increases in funding have a guaranteed revenue stream.

- Increases the maximum Pell Grant award by $500 to $6,695 in FY2021 and ties maximum future grants to inflation.

- Creates an annual $500 million Federal Pell Bonus Program to provide additional funding to colleges and universities for each student who receives a Pell Grant award and completes a bachelor’s degree on-time. Limited to private, nonprofit and public colleges where undergraduate enrollment is at least 25 percent Pell-eligible students.

- Expands the number of semesters of Pell Grant eligibility from 12 to 14, and allows students to use remaining Pell Grant eligibility in graduate school.

- Allows Pell Grants to be used by incarcerated students (“Pell for Prisoners”) with fraud and abuse controls on which institutions may provide the education.

- Creates a short-term “Job Training Pell Grant” program which allows students enrolled in academic programs that are just 150 clock hours delivered over 8 weeks of instruction to be eligible to receive Pell Grants.
  - Participating institutions are limited to either public, private, nonprofit, or vocational institutions of higher education and must include a pathway to a traditional degree.

Campus-based Aid Programs

- Preserves and expands the SEOG and Federal Work Study programs, though formula changes that will phase out the existing formula by 2026.
  - Half of funding will be based on unmet student need, while the other half will be based on the total amount of Pell Grant dollars received by an institution relative to the entire national funding pool.

- Creates a new Perkins Loans program that is part of the federal direct student loan program.

- Creates a new Emergency Grants program for financially vulnerable students as part of the SEOG program.

- Increases the TEACH Grant maximum from $4,000 to $8,000 and includes a proposed fix to prevent inappropriate grant-to-loan conversions.
Student Loans

- Maintains the in-school interest subsidy for low-income undergraduate borrowers.
- Maintains existing loan borrowing limits for undergraduate students, graduate students, and parent borrowers.
- Eliminates origination fees on federal student loans.
- Prevents interest capitalization when a borrower is in forbearance or deferment.
- Attempts to fix servicing problems of Public Service Loan Forgiveness program.
- Preserves loan forgiveness for eligible borrowers, including borrowers enrolled in the reformed income-based repayment program.

Loan Repayment

- Simplifies loan repayment programs to two plans: fixed and income-based.
  - Fixed plan: borrowers will have the option to pay on a 10-year, 15-year, or 20-year repayment plan based on their income.
  - Income-based plan: borrowers will pay 10% of their discretionary income with loans forgiven after 20 years on repayment; borrowers earning below 250% of the federal poverty line, currently estimated at $31,225, will repay at $0 per month until their earnings improve.
- Allows Parent PLUS loans to be eligible for income-based repayment programs.
- Permits borrowers to refinance loans at current borrowing interest rates if current rates are lower.
- Automatically places delinquent borrowers in income-based repayment.

TRIO and GEAR UP

- Increases the authorized funding level for both programs.
- Makes program improvements to TRIO programs. Also includes new requirements such as providing Basic Needs Emergency Grants for students and calling for programs to include foster and homeless youth.
FAFSA Simplification

- Includes automatic Pell Grant eligibility for students who have benefitted from a means-tested federal program within the last two years.
- Removes annual filing requirement for Pell Grant recipients; Pell Grant eligibility will be assumed for future years of enrollment.
- Increases floor for "Automatic Zero" Expected Family Contribution, resulting in more students qualifying for maximum Pell Grants.

Accreditation

- Requires the U.S. Secretary of Education to establish a Technical Review Panel of accreditors, institutions of higher education, the Department of Education’s National Center for Education Statistics, and a student advocate to develop a list of, and definitions for, measures that accreditors must use to assess outcomes related to completion, progress toward completion, and workforce participation. Accreditors would then be required to select at least one measure from the list for purposes of assessing student outcomes and would be required to establish performance benchmarks for each measure it uses to assess institutions. Accreditors would be permitted to use different benchmarks for each category of comparable institutions and could consider an institution’s historical significance or geographic isolation when evaluating institutions.
- Requires the U.S. Secretary of Education to initiate negotiated rulemaking to develop procedures for identifying representative institutions an accreditor must use when demonstrating that it consistently applies and enforces standards and effectively evaluates educational quality and to establish standard definitions related to sanctions and other adverse accreditation actions.
- Requires accrediting agencies to disaggregate student achievement outcomes by specified subgroups and to assess the value of credentials to their earners.
- Requires institutions to disclose their accreditation status on their websites.
Institutional Accountability

- Does not include major-by-major eligibility for federal student aid.
  - Students with federal student aid remain eligible to major in any subject they chose at an institution.
- Establishes an adjusted cohort default rate (ACDR) metric using borrower default inputs that are not currently available.
  - An institution will lose eligibility to participate in the federal student aid programs if its ACDR is >20% over 3 years, >15% over 6 years, or >10% over 8 years.
- Creates “on-time repayment,” which determines institutional eligibility to participate in the federal student aid programs based on a monthly student loan repayment metric.
  - Leaves determination of an on-time repayment eligibility threshold to the U.S. Secretary of Education.
    - Inputs used in metric are not currently available, making it impossible to calculate the proposal’s impact on colleges and universities.
- Crafts an “instructional spending” eligibility criteria measuring the amount each institution reports in the IPED’s instructional spending category relative to tuition and fees revenue.
  - The formula is particularly problematic to private, nonprofit colleges and universities which rely heavily on tuition and fees revenues because they are not subsidized by state and/or local governments. However, the formula was greatly modified to reduce the number of private, nonprofit colleges likely to be affected from approximately 400 schools to less than 50.
- Changes single disbursement method of student loans for all colleges, only allowing eligible colleges with an adjusted cohort default rate of 5% or less to disburse loans in a single installment (currently a 10% threshold criteria).

Student Eligibility for Federal Student Aid Programs

- Permits DREAMer students to participate in federal student aid programs.
- Provides that students are eligible to receive Title IV assistance if they fail to register for the military.
America's College Promise” (ACP) for Free Community College and Related Programs

1. Free Community College
   - Creates a federal-state partnership to pay for tuition at community colleges. The proposal calls for a 75% allocation from the federal government and 25% from the state. The state is allowed to include state need-based financial aid as part of its share.
   - States must maintain their current levels of funding for public colleges as well as spending on need-based student aid for students at all colleges.
     - All community colleges must waive tuition and states must implement reforms to improve student outcomes, including: comprehensive academic and student support services; direct support services, such as child care, transportation, mental health services, affordable housing, and food insecurity; strengthen remedial education to align with workforce development; and create transfer pathways.

2. Grants to HBCUs/MSIs/HSIs/Tribal Colleges and others for BA Completion
   - Creates separate grants to these colleges to waive or significantly reduce tuition to cover the first 60 credits after community college to complete a bachelor’s degree. Tuition at participating institutions cannot increase by more than it has during the previous 5 years.
     - Institutions must:
       - Be comprised of at least 35% low-income students.
       - Implement institutional reforms to improve student outcomes.
       - Partner with business and others for internships.
       - Ensure community college credits transfer.

3. Grants for Students at Public and Private, Nonprofit Colleges
   - Allows the U.S. Secretary of Education to establish two grant programs if resources remain after funding the America’s College Promise.
     - For public colleges: would provide grants, first for unmet need to Pell Grant students, then middle-income students, and finally for tuition waivers for all students.
     - For private, nonprofit colleges: allows states to include students at private, nonprofit colleges in the Pell and non-Pell unmet need grants.
       - The Secretary will set eligibility standards for private colleges, which will require benchmarks on low-income enrollment, controls against reducing institutional need-based aid and limiting grants to no more than those for students at public colleges.
Student Unit Record, Privacy and Data Reporting

- Incorporates a revised version of the College Transparency Act's provisions establishing a student unit record data system and repeals the ban on establishing such a system. The revised version:
  
  - Contains several important new privacy protections, including notice to students, an opportunity for students to inspect and correct their records, data minimization principles, data retention and destruction protocols, and a requirement that data may be made available only for vetted research purposes.
  
  - Includes additional data security provisions, including protocols for managing a breach.
  
  - Specifies the agencies that the U.S. Department of Education may enter data sharing agreements with and for what purposes.
  
  - Requires the Commissioner of the National Center for Education Statistics to conduct consumer testing to determine how to make the data as meaningful as possible to users.
  
  - Permits states to make data queries for aggregate information on students.
  
  - Requires the establishment of an advisory committee.
    - The Commissioner must consult with the advisory committee and provide a public comment period when adding additional data elements, so long as those data elements are necessary to fulfill the purpose of the data system and are consistent with data minimization principles.
  
  - Requires the Secretary to take steps to reduce reporting burden on institutions and allows the Secretary to waive duplicative reporting requirements.
  
  - Takes effect four years after the date of enactment.

Reporting, Campus Safety and Antidiscrimination Provisions

- Prohibits the U.S. Secretary of Education from implementing or enforcing the Trump Administration’s proposed Title IX rules or any rule or guidance similar in substance or effect. This would effectively limit the Secretary’s ability to specify the disciplinary proceedings that institutions must follow when adjudicating Title IX claims.

- Amends transfer of credit provisions to require additional disclosures, including links to websites of institutions with whom institutions have articulation agreements and disclosure of transfer-related resources.

- Requires an institution seeking a religious exemption under Title IX to submit a written statement to the U.S. Secretary of Education identifying the Title IX provisions that conflicts with its religious tenets and to publish related information on its website.

- Maintains the current reporting threshold of $250,000 on the disclosure of foreign gifts and the ability of institutions to receive private, non-publicly disclosed gifts. Increases reporting elements and makes all reports to the Secretary available for public inspection through a searchable database. Requires negotiated rulemaking for regulations.
• Eliminates provisions in previous bill drafts that would have required annual program reviews of each institution, and that each institution must disclose its accreditation status in any print materials made available by the institution.

• Amends the Clery Act to require institutions to:
  o Report on hazing and harassment incidents.
  o Includes harassment based on race, gender, religion, national origin, sexual orientation, gender identity, ethnicity, or disability.
  o Report institutional findings that a student organization violated the institution's standards of conduct or a law related to hazing.
  o Establish anti-hazing and anti-harassment policies, including a separate sexual harassment policy.
  o Administer online surveys – to be developed by the Secretary – regarding campus safety every two years.
    ▪ Institutions must publish the campus-level survey results.
    ▪ Institutions that violate the survey requirement are subject to a $25,000 fine.

• Increases penalties for Clery Act violations from $25,000 to $100,000.

• Requires schools to establish anti-hazing education programs.

• Requires institutions to establish a statement of policy concerning expectant and parenting students.

• Imposes new disclosure requirements about crime statistics for study abroad programs, including requirements that institutions:
  o Develop and distribute a statement of policy about crime and safety in approved study abroad programs.
  o Conduct a biennial review of approved study abroad programs.
  o Provide orientation and debriefing sessions to all prospective and returning students.
  o Provide prospective study abroad students with crime statistics about each study abroad program, regardless of where the incidents occurred.
    ▪ Crime statistics must include deaths, all sexual assaults, accidents and illnesses that result in hospitalization, and incidents that resulted in police reports that are reported to the institution.

• Requires designation of a coordinator under Title VI of the Civil Rights Act, which prohibits race, color, and national origin discrimination in federally funded programs or activities.
  o The coordinator must submit annual reports on complaints received, make such reports publicly available, and notify students and employees of complaint handling and enforcement policies and procedures.

• Requires institutions to make information available to students regarding the latest guidance on student eligibility for the Supplemental Nutrition Assistance Program (SNAP); Women Infants and Children (WIC) nutrition assistance program, food pantries on campus and other information.
• Requires institutions to establish an Office of Accessibility that will inform students about accommodations and services available, their legal rights, and information on internships, etc.

• Requires institutions to accept documentation to establish student disability, even if past date. Accepted documentation would include items such as previous Individual Education Plans (IEPs), 504 plans, plans from other institutions of higher education and evaluations from licensed professionals.

• Increases IPEDS reporting on students with disabilities.

Financial Responsibility

• Requires negotiated rulemaking to update financial responsibility standards.

State Responsibilities, Student Complaints and School Closings

• Requires states to notify accreditors and the U.S. Secretary of Education of negative actions taken against an institution.

• Requires states to evaluate institutions to determine if they meet state standards relating to facilities, equipment, supplies, program length, and other factors relevant to receiving a professional license from the state.

• Requires states to certify to the U.S. Secretary of Education that the state will accept student complaints from all students who attend an institution of higher education located in the state and from students who are state residents attending an out-of-state institution through distance education.

• Requires states to report to the Secretary and accreditor relevant records of student complaints received by the state.

• Requires states to establish policies and procedures related to institutional closures, including:
  o Maintenance of sufficient cash reserves to repay required refunds.
  o A plan for handling institutional records.
  o Maintenance of student contact information.
  o A plan to identify when a campus in the state closes.

Inclusion of Obama Administration-era Regulations

• Includes provisions related to Gainful Employment and Borrower Defenses to Repayment which are nearly identical to Obama Administration-era regulations promulgated by the U.S. Department of Education.

• Includes the aspect of the Obama Teacher Preparation Regulations, overruled by Congress in 2017, that would require states to identify low performing teacher preparation programs by assessing the outcomes of the students that graduate from specific institutions teach. This “pupil-teacher-program” accountability tool has been discredited by research.
Outsourcing

- Codifies current requirements for written arrangements with non-Title IV eligible institutions to prevent any loosening of requirements through regulation.

Fraud and Abuse

- Puts new restrictions and enforcement tools against self-dealing on the governing boards of private, nonprofits institutions, but only those who convert in the future from for-profit status.
- Establishes an office at the U.S. Department of Education to review the governance board of any institution in which there are indicators of self-dealing.
- The “90/10” rule becomes the “85/15 rule” and raises the requirement on for-profit colleges to receive at least 15 percent (raised from 10 percent) of revenue from non-federal sources.
- Classifies GI Bill benefits as federal revenue, which closes an existing loophole.
- Authorizes “secret shopper” and other undercover operations via the U.S. Department of Education to attempt to uncover fraud and/or abuse in the federal student aid programs at all colleges and universities.

Other Programs of Interest

Title III, Title V, Title VI, Title VII, Dual Enrollment and Competency Based Education

- **Title III Strengthening Institutions**: increases the investment in HBCUs, Tribal Colleges and Minority-Serving Institutions; allows grantees more flexibility to develop endowments and student scholarships, reduces the non-federal match to 50%, and makes permanent the mandatory funds provided under Part F, which expired September 30.
- **Title V Strengthening Hispanic-Serving Institutions**: increases the investment in HSIs; allows grantees to establish or grow an endowment to provide student scholarships.
- **Title VI International Education**: Reauthorizes existing foreign language and international business education and research programs. Consolidates and streamlines smaller programs into two reformed programs.
- **Title VII Graduate Education Programs**: Maintains GAANN, Javits and Thurgood Marshall Programs. Expands Master’s Degree Programs at HBCUs to include all Minority-Serving Institutions categories.
- **Jump Start to College** Creates partnership grants between colleges and schools for early college high school, dual enrollment, or concurrent enrollment programs. Private, nonprofit colleges are eligible to apply.
- **Competency Based Education Demonstration Program** Directs the U.S. Secretary of Education to establish a competency-based education demonstration program and directs the applicant school to ensure that their accreditor will develop standards in specific areas for the CBE programs.