

117TH CONGRESS  
1ST SESSION

# S. 2054

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

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IN THE SENATE OF THE UNITED STATES

JUNE 15, 2021

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

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## 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, 2021, 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 a level that is equal to or  
10          greater than the average level of such support for  
11          the 3 most recent academic years for which satisfac-  
12          tory data are available; and

13          “(2) maintain State support for student finan-  
14          cial aid for paying costs associated with postsec-  
15          ondary education at a level that is equal to or great-  
16          er than the average level of such support for the 3  
17          most recent academic years for which satisfactory  
18          data are available.”;

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

21          “(c) WAIVER.—

22          “(1) IN GENERAL.—The Secretary shall waive  
23          the requirements of subsection (a) if the Secretary  
24          determines that such a waiver would be appropriate  
25          due to exceptional or uncontrollable circumstances,

1 such as a natural disaster or a precipitous decline in  
 2 the financial resources of a State or State edu-  
 3 cational agency, as appropriate.

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

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

12 (3) by striking subsection (d).

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

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

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

21 **“SEC. 415A. PURPOSE.**

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

24 “(1) providing grants to eligible students at-  
 25 tending institutions of higher education or partici-

1       pating in programs of study abroad that are ap-  
 2       proved for credit by institutions of higher education  
 3       at which such students are enrolled;

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

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

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

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

14          “(4) providing public accountability and con-  
 15      sumer information on the performance of institu-  
 16      tions of higher education operating within the State.

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

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

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

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

9           “(2) The State will maintain its commitment to  
10 affordable higher education as described in section  
11 137.

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

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

17           “(A) Measurable goals for student out-  
18 comes, including enrollment, completion, and  
19 attainment of postsecondary degrees and cre-  
20 dentials.

21           “(B) Measurable goals for college afford-  
22 ability in the State.

23           “(C) Alignment of such plan with the eco-  
24 nomic development plans that the State may  
25 have, including the unified State plan submitted

1 under section 102 of the Workforce Innovation  
2 and Opportunity Act.

3 “(D) Alignment of such plan with the ele-  
4 mentary and secondary education plan for the  
5 State.

6 “(E) The postsecondary educational needs  
7 of unserved and underserved individuals within  
8 the State, including individuals beyond tradi-  
9 tional college age and students attending part  
10 time.

11 “(5) The State provides for direct, equitable,  
12 and active participation by representatives of institu-  
13 tions of higher education, including the voluntary  
14 participation of private, nonprofit institutions of  
15 higher education, and other stakeholders in the com-  
16 prehensive planning process.

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

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

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

23 “(A) a nonprofit or community-based orga-  
24 nization that has demonstrated success in im-

1           proving student outcomes in postsecondary edu-  
 2           cation; or

3                   “(B) a local workforce investment board;  
 4           or

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

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

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

10                   “(1) IN GENERAL.—Except as provided in sub-  
 11           section (b), from the sums appropriated under sec-  
 12           tion 415H for a fiscal year, the Secretary shall allot  
 13           to each eligible State for such fiscal year an amount  
 14           equal to the sum of—

15                   “(A) an amount that bears the same rela-  
 16           tionship to 50 percent of the amount appro-  
 17           priated under section 415H for such fiscal year  
 18           as the number of residents in the State aged 5  
 19           through 17 who are living below the poverty  
 20           line applicable to the resident’s family size (as  
 21           determined under section 673(2) of the Com-  
 22           munity Services Block Grant Act (42 U.S.C.  
 23           9902)) bears to the total number of such resi-  
 24           dents in all States; and

1           “(B) an amount that bears the same rela-  
2           tionship to 50 percent of the amount appro-  
3           priated under section 415H for such fiscal year  
4           as the number of residents in the State aged 25  
5           and older who have not attained a postsec-  
6           ondary degree or credential (as determined by  
7           the American Community Survey) bears to the  
8           total number of such residents in all States.

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

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

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

1 estimates such State needs and will be able to use for such  
 2 year for carrying out the State plan. The total of such  
 3 reductions shall be similarly reallocated among the States  
 4 whose proportionate amounts were not so reduced.

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

9 **“SEC. 415D. APPLICATIONS.**

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

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

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

24 “(2) a description of how the grant funds will  
 25 assist the State in meeting its goals for college af-

1       fordability, including any measures to minimize tui-  
2       tion costs at public institutions of higher education  
3       and measures to increase the availability of need-  
4       based student aid;

5               “(3) a description of how grant funds will assist  
6       the State in meeting the postsecondary needs of  
7       underrepresented or underserved populations in the  
8       State, including individuals beyond traditional col-  
9       lege age and students attending part time;

10              “(4) a description of how the State’s com-  
11       prehensive plan for public higher education is  
12       aligned with the workforce and economic develop-  
13       ment plans of the State;

14              “(5) a description of the process the State will  
15       use to make subgrants to eligible institutions or con-  
16       sortia of eligible institutions;

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

21              “(7) a description of how the State will make  
22       publicly available an annual report on the progress  
23       in meeting State goals for public postsecondary edu-  
24       cation; and

1           “(8) a description of the stakeholder consulta-  
2           tion, including efforts to engage the voluntary par-  
3           ticipation of private, nonprofit institutions, carried  
4           out in the development of the application.

5           “(c) APPROVAL.—

6           “(1) IN GENERAL.—An application submitted  
7           under subsection (a) shall be subject to the approval  
8           of Secretary.

9           “(2) TIMELINE.—An application submitted  
10          under subsection (a) shall be considered to be ap-  
11          proved at the end of the 90-day period beginning on  
12          the day the application is submitted, unless the Sec-  
13          retary makes a written determination, during the  
14          90-day period, that the application is inconsistent  
15          with the provisions of this subpart.

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

17          “(a) IN GENERAL.—

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

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

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

24               “(2) GRANTS TO STUDENTS.—A State awarded  
25               an incentive grant under this subpart shall establish

1 a program to award grants to students that complies  
2 with the following:

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

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

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

22 “(D) The program provides for the selec-  
23 tion of grant recipients on the basis of substan-  
24 tial financial need determined under part F and  
25 by the State.

1           “(E) The program provides that if the  
 2           State’s allotment under this subpart is based,  
 3           in part, on the financial need demonstrated by  
 4           students who are independent students or at-  
 5           tending the institution less than full time, a  
 6           reasonable proportion of the State’s allotment  
 7           shall be made available to such students.

8           “(F) The program will notify students re-  
 9           ceiving grants under this subpart that such  
 10          grants are Federal-State partnership grants  
 11          and are funded by the Federal Government and  
 12          the State.

13          “(3) SUBGRANTS TO ELIGIBLE INSTITU-  
 14          TIONS.—A State awarded an incentive grant under  
 15          this subpart may establish a program to award sub-  
 16          grants to eligible institutions that complies with the  
 17          following:

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

20               “(B) The program provides for the selec-  
 21               tion of subgrant recipients based on criteria set  
 22               by the State agency.

23               “(C) The program provides for subgrants  
 24               that support activities that will assist the State  
 25               in achieving—

1           “(i) the State’s measurable goals for  
2           student outcomes, including enrollment,  
3           completion, and attainment of postsec-  
4           ondary degrees and credentials;

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

8           “(iii) improved workforce outcomes  
9           for graduates.

10          “(D) The program provides for public dis-  
11          semination of the results of the subgrant activi-  
12          ties.

13          “(4) FISCAL CONTROL; REPORTS.—A State  
14          awarded an incentive grant under this subpart shall  
15          provide—

16               “(A) for such fiscal control and fund ac-  
17               counting procedures as may be necessary to as-  
18               sure proper disbursement of and accounting for  
19               Federal funds paid under this subpart; and

20               “(B) for the making of such reports, in  
21               such form and containing such information, as  
22               may be reasonably necessary to enable the Sec-  
23               retary to perform the Secretary’s functions  
24               under this subpart.

1       “(b) RESERVATION AND DISBURSEMENT OF ALLOT-  
2 MENTS AND REALLOTMENTS.—

3               “(1) IN GENERAL.—Upon approval of an appli-  
4 cation for an incentive grant under this subpart, the  
5 Secretary shall reserve from the applicable allotment  
6 (including any applicable reallotment) available, the  
7 amount of such payment, which (subject to the lim-  
8 its of such allotment or reallotment) shall be equal  
9 to the Federal share of the cost of the grants to stu-  
10 dents or subgrants to eligible institutions or con-  
11 sortia of such institutions covered by such applica-  
12 tion.

13               “(2) PAYMENT.—The Secretary shall pay such  
14 reserved amount, in advance or by way of reimburse-  
15 ment, and in such installments as the Secretary may  
16 determine.

17               “(3) AMENDMENT.—The Secretary may amend  
18 the reservation of any amount under this subsection,  
19 either upon approval of an amendment of the appli-  
20 cation or upon revision of the estimated cost of the  
21 grants to students or subgrants to eligible institu-  
22 tions with respect to which such reservation was  
23 made. If the Secretary approves an upward revision  
24 of such estimated cost, the Secretary may reserve  
25 the Federal share of the added cost only from the

1 applicable allotment (or reallocation) available at the  
2 time of such approval.

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

6 “(d) CERTAIN ACTIVITIES FOR WHICH NON-FED-  
7 ERAL SHARE MAY BE PROVIDED IN CASH OR IN KIND.—  
8 For activities described in section 415A(2), the non-Fed-  
9 eral share may be provided in cash or in kind, fairly evalu-  
10 ated.

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

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

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

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

1           “(4) The State’s annual report described in sec-  
2           tion 415F.

3   **“SEC. 415F. ANNUAL REPORTS.**

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

9           “(1) information, as determined by the State in  
10   consultation with stakeholders, on student outcomes,  
11   including enrollment and completion rates, disaggre-  
12   gated by age, enrollment status, race, ethnicity, dis-  
13   ability status, and socio-economic status;

14           “(2) information, as determined by the State in  
15   consultation with stakeholders, on workforce out-  
16   comes for graduates;

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

20           “(4) information on the consumer complaints  
21   related to the performance of institutions of higher  
22   education reported to the State in the prior year.

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

3 “(a) VOLUNTARY PARTICIPATION.—A private, non-  
 4 profit institution of higher education may voluntarily elect  
 5 to participate in a State’s efforts under the plan described  
 6 in section 415B(b)(4). A State—

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

9 “(2) may require such an institution that volun-  
 10 tarily elects to participate in such efforts to provide  
 11 appropriate information to allow the State to assess  
 12 the institution’s progress towards the goals and ac-  
 13 tivities described in subparagraphs (A) through (E)  
 14 of section 415B(b)(4).

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

18 “(1) authorize the Secretary, a State, or an of-  
 19 ficer or employee of the Department or of a State  
 20 to exercise any direction, supervision, or control over  
 21 a private, nonprofit institution of higher education,  
 22 including control over curriculum, program of in-  
 23 struction, administration, governance, personnel, ar-  
 24 ticipation, the awarding of credit, graduation or de-  
 25 gree requirements, or admissions; or

1           “(2) limit the application of the General Edu-  
2           cation Provisions Act.

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

7           **“SEC. 415H. AUTHORIZATION OF APPROPRIATIONS; RES-**  
8                               **ERVATIONS.**

9           “(a) IN GENERAL.—There are authorized to be ap-  
10 propriated to carry out this subpart such sums as may  
11 be necessary for fiscal year 2022 and each of the 4 suc-  
12 ceeding fiscal years.

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

16          “(c) RESERVATION FOR CONSUMER INFORMATION  
17 AND ADMINISTRATIVE EXPENSES.—Not more than 8 per-  
18 cent of the funds allotted to a State may be used to pro-  
19 vide public accountability and consumer information on  
20 the performance of institutions of higher education and  
21 for administering the grant.”.

○