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HOUSE OF REPRESENTATIVES
REPORT
113–546

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 3136) TO ESTABLISH A DEMONSTRATION PROGRAM FOR COMPETENCY-BASED EDUCATION, AND PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 4984) TO AMEND THE LOAN COUNSELING REQUIREMENTS UNDER THE HIGHER EDUCATION ACT OF 1965, AND FOR OTHER PURPOSES

JULY 22, 2014.—Referred to the House Calendar and ordered to be printed

Ms. FOXX, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 677]

The Committee on Rules, having had under consideration House Resolution 677, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 3136, the Advancing Competency-Based Education Demonstration Project Act of 2013, under a structured rule. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Education and the Workforce. The resolution waives all points of order against consideration of the bill. The resolution makes in order as original text for the purpose of amendment an amendment in the nature of a substitute consisting of the text of Rules Committee Print 113–52 and provides that it shall be considered as read. The resolution waives all points of order against that amendment in the nature of a substitute. The resolution makes in order only those further amendments printed in part A of this report. Each such amendment may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The resolution waives all points of order against the amendments printed in part A of this report. The resolution provides one motion to recommit with or without instructions.

39–008

Section 2 of the resolution provides for consideration of H.R. 4984, the Empowering Students Through Enhanced Financial Counseling Act, under a structured rule. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Education and the Workforce. The resolution waives all points of order against consideration of the bill. The resolution makes in order as original text for the purpose of amendment an amendment in the nature of a substitute consisting of the text of Rules Committee Print 113–53 and provides that it shall be considered as read. The resolution waives all points of order against that amendment in the nature of a substitute. The resolution makes in order only those further amendments printed in part B of this report. Each such amendment may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The resolution waives all points of order against the amendments printed in part B of this report. The resolution provides one motion to recommit with or without instructions.

EXPLANATION OF WAIVERS

Although the resolution waives all points of order against consideration of H.R. 3136, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

The waiver of all points of order against the amendment in the nature of a substitute to H.R. 3136 made in order as original text, includes a waiver of clause 7 of rule XVI, which requires that no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment. It is important to note that the amendment in the nature of a substitute contains the text of H.R. 3136 as reported by the Committee on Education and the Workforce.

Although the resolution waives all points of order against the amendments to H.R. 3136 printed in part A of this report, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against consideration of H.R. 4984, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against the amendment in the nature of a substitute to H.R. 4984 made in order as original text, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against the amendments to H.R. 4984 printed in part B of this report, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

SUMMARY OF THE AMENDMENTS IN PART A MADE IN ORDER

1. Kline (MN), Miller, George (CA): Makes minor technical edits and includes an addition to the oversight section requiring the Secretary of Education to disseminate best practices. (10 minutes)

2. Jackson Lee (TX): Directs the Secretary of Education prior to any deadlines to submit applications for consideration as an institution to participate in the pilot program to conduct outreach to historically Black colleges and universities, Hispanic-serving institutions, Native American-serving, non-tribal institutions, institutions serving students with special needs, and institutions located in rural areas to provide information on the opportunity to apply to carry out a demonstration project. (10 minutes)

3. Walberg (MI): Allows participating eligible entities to apply to expand their approved projects beyond the 3,000 student maximum if the past two evaluations warrant such expansion. (10 minutes)

4. McNerney (CA): Requires an applicant to provide information on its population of veteran and military students and how it will incorporate veteran and military student needs into its demonstration project. (10 minutes)

5. Byrne (AL): Increases the maximum number of eligible entities from 20 to 30. (10 minutes)

6. Langevin (RI), Thompson, Glenn (PA): Allows eligible entities to submit to the Director of the Institute of Education information regarding the number and percentage of students who are able to find employment in a field relating to their program or course of study, and would allow the Director of IES to provide technical assistance to such entities upon request. (10 minutes)

7. Duffy (WI): Requires schools to notify students or parents of minor students when they enter into an agreement with a person or company that is allowed to sell personally identifiable information collected from the application provided to the student. (10 minutes)

8. Gowdy (SC), Welch (VT): Permits participation of dual enrollment programs in demonstration projects. (10 minutes)

9. Meng (NY): Requires the Secretary of Education to report to Congress, every 10 years, on the needs of limited English proficient students using the Free Application for Federal Student Aid. (10 minutes)

10. Gowdy (SC), Welch (VT): Creates a Regulatory Reform Task Force to make recommendations to reduce unnecessary higher education regulations. (10 minutes)

11. Grayson (FL): Requires the Secretary of Education, in consultation with the Commissioner of Internal Revenue, to conduct a study on the feasibility and advantages and disadvantages of using individual income tax returns as the primary form of application for student aid. (10 minutes)

SUMMARY OF THE AMENDMENTS IN PART B MADE IN ORDER

1. Kline (MN), Miller, George (CA): Clarifies the information provided to first-time borrowers; a clarification that borrowers must accept their loans annually after the completion of the other counseling requirements; a requirement for the Secretary of Education, acting through the Director of the Institute of Education Sciences, to conduct a longitudinal study of the impact and effectiveness of

the student loan counseling required under this act; and other minor technical edits. (10 minutes)

2. Kilmer (WA), Hinojosa (TX), Bachus (AL), Petri (WI), Tsongas (MA): Ensures each individual is aware of financial management resources provided by the Treasury Department's Financial Literacy and Education Commission. (10 minutes)

3. Murphy, Patrick (FL): Requires the inclusion of recent average income and employment data for different levels of educational attainment. (10 minutes)

4. Sanchez, Loretta (CA): Includes an explanation that if a student decides to transfer to another institution, not all of the student's credits may be acceptable towards meeting specific degree or program requirements at such institution, therefore, eligibility for Federal Pell Grants will not reset due to the maximum number of semesters or equivalent. (10 minutes)

5. Cohen (TN): Adds a requirement that students be told how federal and private student loans are treated in bankruptcy. (10 minutes)

6. Hahn (CA): Provides student loan borrowers with the national average cohort default rate in addition to the institution's cohort default rate and the categorical national cohort default rate. (10 minutes)

7. Peters (MI): Requires that student borrowers receive an explanation of the impact of a delinquency or default on a loan to their credit score, including the borrower's future ability to find employment or purchase a home or a car. (10 minutes)

PART A—TEXT OF AMENDMENTS TO H.R. 3136 MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE KLINE OF MINNESOTA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 2, line 6, insert "that has been selected to carry out a demonstration project under this section" after "eligible entity".

Page 2, line 8, insert "approved" before "application".

Page 8, line 15, strike "Institution" and insert "Institute".

Page 13, line 12, strike "and" at the end.

Page 13, line 16, strike the period at the end and insert "; and".

Page 13, after line 16, insert the following:

"(5) collect and disseminate to eligible entities carrying out a demonstration project under this section, best practices with respect to demonstration projects under this section.".

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2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE JACKSON LEE OF TEXAS OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 2, after line 5, insert the following:

"(2) OUTREACH.—The Secretary shall, prior to any deadline to submit applications under paragraph (1), conduct outreach to historically Black colleges and universities, Hispanic-serving institutions, Native American-serving, nontribal institutions, institutions serving students with special needs, and institutions located in rural areas to provide those institutions with information on the opportunity to apply to carry out a demonstration project under this section.

Page 2, line 6, strike "(2)" and insert "(3)".

Page 2, line 12, strike "(3)" and insert "(4)".

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3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WALBERG OF MICHIGAN OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 2, line 6, strike "An eligible" and insert the following:

"(A) IN GENERAL.—An eligible".

Page 2, after line 11, insert the following:

"(B) EXPANDING ENROLLMENT.—Notwithstanding the assurance required with respect to maximum enrollment under paragraph (3)(H)—

"(i) an eligible entity whose demonstration project has been evaluated under subsection (f)(2) not less than twice may submit to the Secretary an amendment to the eligible entity's application under paragraph (1) to increase enrollment in the project to more than 3,000 students, but not more than 5,000 students, and which shall specify—

"(I) the proposed maximum enrollment or annual enrollment growth for the project;

"(II) how the eligible entity will successfully carry out the project with such maximum enrollment or enrollment growth; and

"(III) any other amendments to the eligible entity's application under paragraph (1) that are related to such maximum enrollment or enrollment growth; and

"(ii) the Secretary shall determine whether to approve or deny an amendment submitted under clause (i) for a demonstration project based on the project's evaluations under subsection (f)(2).".

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4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MCNERNEY OF CALIFORNIA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 4, line 17, strike "and".

Page 4, line 22, strike the period and insert "; and".

Page 4, after line 22, insert the following

"(K) A description of the population of students served by the eligible entity that are veterans or members of the Armed Forces and how such eligible entity will, when appropriate, incorporate the specific needs of such population when carrying out the demonstration project.

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5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BYRNE OF ALABAMA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 5, line 1, strike "20" and insert "30".

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6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LANGEVIN OF RHODE ISLAND OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 10, after line 9 insert the following:

"(B) EMPLOYMENT DATA.—

"(i) IN GENERAL.—Each eligible entity that carries out a demonstration project under this section may provide to the Director of the Institute of Education Sciences with respect to the students participating in the competency-based education project carried out by the eligible entity the number and percentage of students completing a competency-based education program or course of study offered by such eligible entity who find employment in a field related to the program or course of study of such students.

"(ii) TECHNICAL ASSISTANCE.—The Director of the Institute of Education Sciences shall, at the request of an eligible entity, provide technical assistance to such eligible entity to assist such eligible entity in collecting and reporting accurate information relating to the employment of students participating in a competency-based education project carried out by such eligible entity.

Page 10, line 10, strike "(B)" and insert "(C)".

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7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DUFFY OF WISCONSIN OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 13, line 17, strike "(h)" and insert "(i)".

Page 13, after line 16, insert the following:

"(h) DISCLOSURE OF AUTHORIZATION TO SELL STUDENT DATA.—An eligible entity carrying out a demonstration project under this section shall ensure that each institution of higher education of the eligible entity provides to each student, or the parents of each minor student, enrolled in the institution of higher education—

"(1) a disclosure letter, which describes the personally identifiable information of the student that may be sold by a person with whom the institution of higher education has an agreement to provide software applications for students; and

"(2) an option to opt-out of such personally identifiable information from being sold.".

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8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GOWDY OF SOUTH CAROLINA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 14, line 1, insert before the semicolon at the end the following: "including an institution of higher education that offers a dual-enrollment program under which a secondary school student is able simultaneously to earn credit toward a secondary school diploma and a postsecondary degree, certificate, or credential".

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9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MENG OF NEW YORK OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 14, beginning line 16, redesignate subsection (c) as subsection (d).

Page 14, after line 15, insert the following:

(c) REPORT.—The Secretary of Education shall report to Congress, every 10 years, on the needs of limited English proficient students using the Free Application for Federal Student Aid.

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10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GOWDY OF SOUTH CAROLINA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following new section:

SECTION 3. HIGHER EDUCATION REGULATORY REFORM TASK FORCE.

(a) TASK FORCE ESTABLISHED.—Not later than 2 months after the date of enactment of this Act, the Secretary of Education shall establish the Higher Education Regulatory Reform Task Force.

(b) MEMBERSHIP.—The Higher Education Regulatory Reform Task Force shall include—

(1) the Secretary of Education or the Secretary's designee;

(2) a representative of the Advisory Committee on Student Financial Assistance established under section 491 of the Higher Education Act of 1965 (20 U.S.C. 1098); and

(3) representatives from the higher education community, including—

(A) institutions of higher education, with equal representation of public and private nonprofit institutions, and two-year and four-year institutions, and with not less than 25 percent of such representative institutions carrying out distance education programs; and

(B) nonprofit organizations representing institutions of higher education.

(c) ACTIVITIES.—

(1) REPORT REQUIRED.—Not later than 6 months after the date of enactment of this Act, the Secretary of Education shall submit to Congress and make available on a publicly available website a report (in this section referred to as the "Higher Education Regulatory Reform Report") prepared by the Higher Education Regulatory Reform Task Force on Department of Education regulatory requirements for institutions of higher education described in paragraph (2).

(2) CONTENTS OF REPORT.—The Higher Education Regulatory Reform Report shall contain the following with respect to Department of Education regulatory requirements for institutions of higher education:

(A) A list of rules that are determined to be outmoded, duplicative, ineffective, or excessively burdensome.

(B) For each rule listed in accordance with subparagraph (A) and that is in effect at the time of the review under subparagraph (A), an analysis of whether the costs outweigh the benefits for such rule.

(C) Recommendations to consolidate, modify, simplify, or repeal such rules to make such rules more effective or less burdensome.

(D) A description of the justification for and impact of the recommendations described in subparagraph (C), as appropriate and available, including supporting data for such justifications and the financial impact of such rec-

ommendations on institutions of higher education of varying sizes and types.

(E) Recommendations on the establishment of a permanent entity to review new Department of Education regulatory requirements affecting institutions of higher education.

(3) NOTICE AND COMMENT.—At least 30 days before submission of the Higher Education Regulatory Reform Report required under paragraph (1), the Secretary of Education shall publish the report in the Federal Register for public notice and comment. The Higher Education Regulatory Reform Task Force may modify the report in response to any comments received before submission of the report to Congress.

(d) DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—For the purposes of this section, the term "institution of higher education" has the meaning given such term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002), except that such term does not include institutions described in subsection (a)(1)(C) of such section 102.

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11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GRAYSON OF FLORIDA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill, add the following new section:

SEC. ___. STUDY ON USE OF INDIVIDUAL INCOME TAX RETURNS AS PRIMARY APPLICATION FOR FEDERAL STUDENT AID.

Section 483 of the Higher Education Act of 1965 (20 U.S.C. 1090) is amended by adding at the end the following new subsection:

"(i) STUDY ON USE OF INDIVIDUAL INCOME TAX RETURNS AS PRIMARY APPLICATION FOR FEDERAL STUDENT AID.—

"(4) STUDY.—The Secretary of Education, in consultation with the Commissioner of Internal Revenue, shall conduct a study on the feasibility and advantages and disadvantages of using individual income tax returns as the primary form of application for student aid under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

"(5) REPORT.—Not later than one year after the date of the enactment of this subsection, the Secretary, in consultation with the Commissioner, shall submit to Congress a report containing the results of the study conducted under subsection (a).".

PART B—TEXT OF AMENDMENTS TO H.R. 4984 MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE KLINE OF MINNESOTA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 2, line 7, strike "borrower" and insert "individual".

Beginning page 7, line 12, amend subparagraph (L) to read as follows:

"(L) For a first-time borrower—

"(i) a statement of the anticipated balance on the loan for which the borrower is receiving counseling under this subsection;

"(ii) based on such anticipated balance, the anticipated monthly payment amount under, at minimum—

"(I) the standard repayment plan; and

"(II) an income-based repayment plan under section 493C, as determined using regionally available data from the Bureau of Labor Statistics of the average starting salary for the occupation in which the borrower has an interest in or intends to be employed; and

"(iii) an estimate of the projected monthly payment amount under each repayment plan described in clause (ii), based on the average cumulative indebtedness at graduation for borrowers of loans made under part D who are in the same program of study as the borrower.".

Page 11, beginning line 7, amend subparagraph (C) to read as follows:

"(C) For a first-time borrower of such loan—

"(i) a statement of the anticipated balance on the loan for which the borrower is receiving counseling under this subsection;

"(ii) based on such anticipated balance, the anticipated monthly payment amount under the standard repayment plan; and

"(iii) an estimate of the projected monthly payment amount under the standard repayment plan, based on the average cumulative indebtedness of other borrowers of Federal Direct PLUS Loans made on behalf of dependent students who are in the same program of study as the student on whose behalf the borrower borrowed the loan.".

Page 13, line 17, insert "after receiving the applicable counseling under paragraphs (2), (4), and (5) for the loan" after "ensure that".

Page 19, beginning line 1, redesignate section 5 as section 6.

Page 18, after line 24, insert the following:

SEC. 5. LONGITUDINAL STUDY ON THE EFFECTIVENESS OF STUDENT LOAN COUNSELING.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Education, acting through the Director of the Institute of Education Sciences, shall begin conducting a rigorous, longitudinal study of the impact and effectiveness of the student loan counseling—

(1) provided under subsections (b), (l), and (n) of section 485 of the Higher Education Act of 1965 (20 U.S.C. 1092), as amended by this Act; and

(2) provided through such other means as the Secretary of Education may determine.

(b) CONTENTS.—

(1) BORROWER INFORMATION.—The longitudinal study carried out under subsection (a) shall include borrower information, in the aggregate and disaggregated by race, ethnicity, gender, income, and status as an individual with a disability, on—

(A) student persistence;

(B) degree attainment;

(C) program completion;

(D) successful entry into student loan repayment;

(E) cumulative borrowing levels; and

(F) such other factors as the Secretary of Education may determine.

(2) EXCEPTION.—The disaggregation under paragraph (1) shall not be required in a case in which the number of borrowers in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual borrower.

(c) INTERIM REPORTS.—Not later than 18 months after the commencement of the study under subsection (a), and annually thereafter, the Secretary of Education shall evaluate the progress of the study and report any short-term findings to the appropriate committees of Congress.

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2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE KILMER OF WASHINGTON OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 3, after line 11, insert the following:

"(C) An introduction to the financial management resources provided by the Financial Literacy and Education Commission.

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3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MURPHY OF FLORIDA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 3, after line 11, insert the following:

"(C) Based on the most recent data available from the American Community Survey available from the Department of Commerce, the estimated average income and percentage of employment in the State of domicile of the borrower for persons with—

"(i) a high school diploma or equivalent;

"(ii) some post-secondary education without completion of a degree or certificate; and

"(iii) a bachelor's degree.

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4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SANCHEZ OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 4, line 4, strike "(E)" and insert "(F)".

Page 4, after line 3, insert the following:

"(E) An explanation that if the student transfers to another institution not all of the student's courses may be acceptable in transfer toward meeting specific degree or program requirements at such institution, but the amount of time remaining for which a student may be eligible to receive a Federal Pell Grant, as provided under subparagraph (D), will not change.".

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5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE COHEN OF TENNESSEE OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 5, line 10, insert at the end the following: "an explanation of treatment of loans made under part D and private education loans in bankruptcy,".

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6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HAHN OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 10, line 5, strike "and the" and insert "the most recent national average cohort default rate, and the".

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7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PETERS OF MICHIGAN OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 15, after line 16, insert the following new subparagraph, and redesignate the succeeding subparagraphs accordingly:

(E) in clause (ix), as so redesignated—

(i) by inserting "decreased credit score," after "credit reports,"; and

(ii) by inserting "reduced ability to rent or purchase a home or car, potential difficulty in securing employment," after "Federal law,";

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