

Calendar No. 139

113TH CONGRESS
1ST SESSION**H. R. 1911**

IN THE SENATE OF THE UNITED STATES

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Received

JULY 17, 2013

Read the first time

JULY 18, 2013

Read the second time and placed on the calendar

AN ACT

To amend the Higher Education Act of 1965 to establish interest rates for new loans made on or after July 1, 2013, to direct the Secretary of Education to convene the Advisory Committee on Improving Postsecondary Education Data to conduct a study on improvements to postsecondary education transparency at the Federal level, and for other purposes.

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. TABLE OF CONTENTS.**

4 The table of contents for this Act is as follows:

Sec. 1. Table of Contents.

TITLE I—SMARTER SOLUTIONS FOR STUDENTS ACT

- Sec. 101. Short title.
 Sec. 102. Student loan interest rates.
 Sec. 103. Budgetary effects.

TITLE II—IMPROVING POSTSECONDARY EDUCATION DATA FOR STUDENTS ACT

- Sec. 201. Short title.
 Sec. 202. Study on improvements to postsecondary education transparency at the Federal level.

1 **TITLE I—SMARTER SOLUTIONS**
 2 **FOR STUDENTS ACT**

3 **SEC. 101. SHORT TITLE.**

4 This title may be cited as the “Smarter Solutions for
 5 Students Act”.

6 **SEC. 102. STUDENT LOAN INTEREST RATES.**

7 Section 455(b) of the Higher Education Act of 1965
 8 (20 U.S.C. 1087e(b)) is amended—

9 (1) in paragraph (7)—

10 (A) in the paragraph heading, by inserting
 11 “, AND BEFORE JULY 1, 2013” after “2006”;

12 (B) in subparagraph (A), by inserting
 13 “and before July 1, 2013,” after “2006,”;

14 (C) in subparagraph (B), by inserting
 15 “and before July 1, 2013,” after “2006,”; and

16 (D) in subparagraph (C), by inserting
 17 “and before July 1, 2013,” after “2006,”;

18 (2) by redesignating paragraphs (8) and (9) as
 19 paragraphs (9) and (10), respectively; and

1 (3) by inserting after paragraph (7), the fol-
2 lowing:

3 “(8) INTEREST RATE PROVISION FOR NEW
4 LOANS ON OR AFTER JULY 1, 2013.—

5 “(A) RATES FOR FDSL AND FDUSL.—Not-
6 withstanding the preceding paragraphs of this
7 subsection, for Federal Direct Stafford Loans
8 and Federal Direct Unsubsidized Stafford
9 Loans for which the first disbursement is made
10 on or after July 1, 2013, the applicable rate of
11 interest shall, during any 12-month period be-
12 ginning on July 1 and ending on June 30, be
13 determined on the preceding June 1 and be
14 equal to—

15 “(i) the high-yield 10-year Treasury
16 notes auctioned at the final auction held
17 prior to such June 1; plus

18 “(ii) 2.5 percent,
19 except that such rate shall not exceed 8.5 per-
20 cent.

21 “(B) PLUS LOANS.—Notwithstanding the
22 preceding paragraphs of this subsection, for any
23 Federal Direct PLUS Loan for which the first
24 disbursement is made on or after July 1, 2013,
25 the applicable rate of interest shall, during any

1 12-month period beginning on July 1 and end-
2 ing on June 30, be determined on the preceding
3 June 1 and be equal to—

4 “(i) the high-yield 10-year Treasury
5 notes auctioned at the final auction held
6 prior to such June 1; plus

7 “(ii) 4.5 percent,
8 except that such rate shall not exceed 10.5 per-
9 cent.

10 “(C) CONSOLIDATION LOANS.—Notwith-
11 standing the preceding paragraphs of this sub-
12 section, any Federal Direct Consolidation Loan
13 for which the application is received on or after
14 July 1, 2013, shall bear interest at an annual
15 rate on the unpaid principal balance of the loan
16 that is equal to the weighted average of the in-
17 terest rates on the loans consolidated, rounded
18 to the nearest higher one-eighth of one per-
19 cent.”.

20 **SEC. 103. BUDGETARY EFFECTS.**

21 (a) PAYGO SCORECARD.—The budgetary effects of
22 this Act shall not be entered on either PAYGO scorecard
23 maintained pursuant to section 4(d) of the Statutory Pay-
24 As-You-Go Act of 2010.

1 (b) SENATE PAYGO SCORECARD.—The budgetary ef-
2 fects of this Act shall not be entered on any PAYGO score-
3 card maintained for purposes of section 201 of S. Con.
4 Res. 21 (110th Congress).

5 **TITLE II—IMPROVING POSTSEC-**
6 **ONDARY EDUCATION DATA**
7 **FOR STUDENTS ACT**

8 **SEC. 201. SHORT TITLE.**

9 This title may be cited as the “Improving Postsec-
10 ondary Education Data for Students Act”.

11 **SEC. 202. STUDY ON IMPROVEMENTS TO POSTSECONDARY**
12 **EDUCATION TRANSPARENCY AT THE FED-**
13 **ERAL LEVEL.**

14 (a) **FORMATION OF ADVISORY COMMITTEE ON IM-**
15 **PROVING POSTSECONDARY EDUCATION DATA.—**

16 (1) **IN GENERAL.—**Not later than 30 days after
17 the date of enactment of this Act, the Secretary of
18 Education shall convene the Advisory Committee on
19 Improving Postsecondary Education Data (in this
20 Act referred to as the “Advisory Committee”), which
21 shall be comprised of 15 members who represent
22 economically, racially, and geographically diverse
23 populations appointed by the Secretary in consulta-
24 tion with the Commissioner for Education Statistics,
25 including—

1 (A) individuals representing different sec-
2 tors of institutions of higher education, includ-
3 ing individuals representing undergraduate and
4 graduate education;

5 (B) experts in the field of higher education
6 policy;

7 (C) State officials;

8 (D) students and other stakeholders from
9 the higher education community;

10 (E) representatives from the business com-
11 munity;

12 (F) experts in choice in consumer markets;

13 (G) privacy experts;

14 (H) college and career counselors at sec-
15 ondary schools;

16 (I) experts in data policy, collection, and
17 use; and

18 (J) experts in labor markets.

19 (2) CHAIRPERSON.—The Secretary shall ap-
20 point the Chairperson of the Advisory Committee.

21 (b) STUDY REQUIRED.—The Advisory Committee
22 shall conduct a study examining—

23 (1) the types of information, including informa-
24 tion related to costs of postsecondary education,
25 sources of financial assistance (including Federal

1 student loans), student outcomes, and
2 postgraduation earnings, the Federal Government
3 should collect and report on institutions of higher
4 education to assist students and families in their
5 search for an institution of higher education;

6 (2) how such information should be collected
7 and reported, including how to disaggregate infor-
8 mation on student outcomes by subgroups of stu-
9 dents, such as full-time students, part-time students,
10 nontraditional students, first generation college stu-
11 dents, students who are veterans, and Federal Pell
12 Grant recipients under subpart 1 of part A of title
13 IV of the Higher Education Act of 1965 (20 U.S.C.
14 1070a); and

15 (3) the ways in which the Federal Government
16 may make such information more readily available
17 to—

18 (A) students and their families in a format
19 that is easily accessible and understandable,
20 and will aid students and their families in mak-
21 ing decisions; and

22 (B) States, local governments, secondary
23 schools, individual or groups of institutions of
24 higher education, and private-sector entities.

1 (c) SCOPE OF STUDY.—In conducting the study
2 under this Act, the Advisory Committee shall, at a min-
3 imum, examine—

4 (1) whether the current Federal transparency
5 initiatives on postsecondary education—

6 (A) are reporting consistent information
7 about individual institutions of higher education
8 across Federal agencies; and

9 (B) are similar to transparency initiatives
10 on postsecondary education carried out by
11 States, individual or groups of institutions of
12 higher education, or private-sector entities;

13 (2) whether—

14 (A) the collection and reporting of
15 postgraduation earnings by the Federal Govern-
16 ment is feasible, and if feasible, the options for
17 collecting and reporting such information;

18 (B) collecting and reporting such informa-
19 tion would improve the use of Federal trans-
20 parency initiatives and ease decisionmaking for
21 students and their families; and

22 (C) collecting and reporting such informa-
23 tion would have an impact on student privacy,
24 and if so, how such impact may be minimized;

1 (3) whether any other information, including in-
2 formation relating to student outcomes or identified
3 under the review required under subsection (d),
4 should be collected and reported by the Federal Gov-
5 ernment to improve the utility of such initiatives for
6 students and their families, and if so, how such in-
7 formation may be collected and reported, including
8 whether the information should be disaggregated by
9 subgroups of students;

10 (4) whether any information currently collected
11 and reported by the Federal Government on institu-
12 tions of higher education is not useful for students
13 and their families and should not be so collected and
14 reported;

15 (5) the manner in which the information from
16 Federal transparency initiatives is made available to
17 students and their families, and whether format
18 changes may help the information become more eas-
19 ily understood and widely utilized by students and
20 their families;

21 (6) any activities being carried out by the Fed-
22 eral Government, States, individual or groups of in-
23 stitutions of higher education, or private-sector enti-
24 ties to help inform students and their families of the
25 availability of Federal transparency initiatives;

1 (7) the cost to institutions of higher education
2 of reporting to the Federal Government the informa-
3 tion that is being collected and reported through
4 Federal transparency initiatives, and how such cost
5 may be minimized; and

6 (8) the relevant research described in sub-
7 section (d).

8 (d) REVIEW OF RELEVANT RESEARCH.—In con-
9 ducting the study under this Act, the Advisory Committee
10 shall review and consider—

11 (1) research and studies, if any, that have been
12 conducted to determine questions most frequently
13 asked by students and families to help inform their
14 search for an institution of higher education;

15 (2) the types of information students seek be-
16 fore enrolling in an institution of higher education;

17 (3) whether the availability to students and
18 their families of additional information on institu-
19 tions of higher education will be beneficial or con-
20 fusing;

21 (4) results, if any, that are available from con-
22 sumer testing of Federal, State, institution of higher
23 education, and private-sector transparency initiatives
24 on postsecondary education that have been made

1 publicly available on or after the date that is 10
2 years before the date of enactment of this Act; and

3 (5) any gaps in the research, studies, and re-
4 sults described in paragraphs (1) and (4) relating to
5 the types of information students seek before enroll-
6 ing in an institution of higher education.

7 (e) CONSULTATION.—

8 (1) IN GENERAL.—In conducting the study
9 under this Act, the Advisory Committee shall—

10 (A) hold public hearings to consult with
11 parents and students; and

12 (B) consult with a broad range of inter-
13 ested parties in higher education, including ap-
14 propriate researchers, representatives of sec-
15 ondary schools (including college and career
16 counselors) and institutions of higher education
17 from different sectors of such institutions (in-
18 cluding undergraduate and graduate education),
19 State administrators, and Federal officials.

20 (2) CONSULTATION WITH THE AUTHORIZING
21 COMMITTEES.—The Advisory Committee shall con-
22 sult on a regular basis with the authorizing commit-
23 tees in conducting the study under this Act.

24 (f) REPORTS TO AUTHORIZING COMMITTEES.—

1 (1) INTERIM REPORT.—Not later than 180
2 days after the date of enactment of this Act, the Ad-
3 visory Committee shall prepare and submit to the
4 authorizing committees and the Secretary an interim
5 report describing the progress made in conducting
6 the study under this Act and any preliminary find-
7 ings on the topics identified under subsection (c).

8 (2) FINAL REPORT.—

9 (A) IN GENERAL.—Not later than 1 year
10 after the date of enactment of this Act, the Ad-
11 visory Committee shall prepare and submit to
12 the authorizing committees and the Secretary a
13 final report on the study, including—

14 (i) recommendations for legislative,
15 regulatory, and administrative actions
16 based on findings related to the topics
17 identified under subsection (c); and

18 (ii) a summary of the research de-
19 scribed in subsection (d).

20 (B) CONSULTATION WITH ONCES.—The
21 Advisory Committee shall consult with the Com-
22 missioner of Education Statistics prior to mak-
23 ing recommendations under subparagraph
24 (A)(i) with respect to improving the information

1 being collected and reported by the Federal
2 Government on institutions of higher education.

3 (g) AVAILABILITY OF FUNDS.—The amount nec-
4 essary to conduct the study under this Act shall be made
5 available from amounts available to the Secretary for ad-
6 ministrative expenses of the Department of Education.

7 (h) DEFINITIONS.—For purposes of this Act:

8 (1) AUTHORIZING COMMITTEES.—The term
9 “authorizing committees” has the meaning given the
10 term in section 103 of the Higher Education Act of
11 1965 (20 U.S.C. 1003).

12 (2) FIRST GENERATION COLLEGE STUDENT.—
13 The term “first generation college student” has the
14 meaning given the term in section 402A(h) of the
15 Higher Education Act of 1965 (20 U.S.C. 1070a-
16 11(h)).

17 (3) INSTITUTION OF HIGHER EDUCATION.—The
18 term “institution of higher education” has the
19 meaning given the term in section 102 of the Higher
20 Education Act of 1965 (20 U.S.C. 1002), except
21 that such term does not include institutions de-
22 scribed in subsection (a)(1)(C) of such section 102.

23 (4) SECONDARY SCHOOL.—The term “sec-
24 ondary school” has the meaning given the term in

1 section 9101 of the Elementary and Secondary Edu-
2 cation Act of 1965 (20 U.S.C. 7801).

3 (5) SECRETARY.—The term “Secretary” means
4 the Secretary of Education.

5 (6) STATE.—The term “State” has the mean-
6 ing given the term in section 103 of the Higher
7 Education Act of 1965 (20 U.S.C. 1003).

8 (7) STUDENT.—The term “student” includes—

9 (A) a prospective student;

10 (B) a student enrolled in an institution of
11 higher education;

12 (C) a nontraditional student (as defined in
13 section 803(j)(2) of the Higher Education Act
14 of 1965 (20 U.S.C. 1161c(j)(2))); and

15 (D) a veteran (as defined in section
16 480(c)(1) of such Act (20 U.S.C.
17 1087vv(c)(1))) who is a student or prospective
18 student.

Passed the House of Representatives May 23, 2013.

Attest:

KAREN L. HAAS,

Clerk.

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