

118TH CONGRESS  
1ST SESSION

# H. R. 4405

To amend the Higher Education Act of 1965 to require annual reporting  
on assets of institutions of higher education.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 2023

Mr. CLEAVER introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Higher Education Act of 1965 to require  
annual reporting on assets of institutions of higher 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 “Endowment Trans-  
5 parency Act”.

6 **SEC. 2. REPORTING ON ASSETS OF INSTITUTIONS OF HIGH-**

7 **ER EDUCATION.**

8 (a) CONSUMER INFORMATION.—

1           (1) ASSET REPORTING.—Section 132(i) of the  
2 Higher Education Act of 1965 (20 U.S.C.  
3 1015a(i)(1)) is amended—

4           (A) by redesignating paragraphs (2)  
5 through (6) as paragraphs (3) through (7); and

6           (B) by adding after paragraph (1) the fol-  
7 lowing:

8           “(2) ASSETS.—

9           “(A) IN GENERAL.—Not later than one  
10 year after the date of enactment of the Endow-  
11 ment Transparency Act, the Secretary shall  
12 make publicly available on the College Navi-  
13 gator website, in simple and understandable  
14 terms, the following information about each in-  
15 stitution of higher education that participates  
16 in programs under title IV, for the most recent  
17 academic year for which satisfactory data are  
18 available:

19           “(i) The total assets of the institution  
20 that are managed—

21           “(I) by an investment adviser,  
22 disaggregated by asset class; and

23           “(II) by a minority- or women-  
24 owned investment adviser,

1           disaggregated by asset class and race  
2           of the investment adviser.

3           “(ii) With respect to investment advis-  
4           ers employed by the institution, the num-  
5           ber of those investment advisers,  
6           disaggregated by gender and race.

7           “(iii) The percent of bond issuances  
8           by the institution that are underwritten by  
9           minority- or women-owned asset manage-  
10          ment firms.

11          “(B) DEFINITIONS.—In this paragraph—

12           “(i) the term ‘investment adviser’ has  
13           the meaning given the term in section  
14           202(a) of the Investment Advisers Act of  
15           1940 (15 U.S.C. 80b–2(a));

16           “(ii) the term ‘minority’ has the  
17           meaning given the term under section  
18           308(b) of the Financial Institutions Re-  
19           form, Recovery, and Enforcement Act of  
20           1989 (12 U.S.C. 1463 note); and

21           “(iii) the term ‘minority- or women-  
22           owned’, when used with respect to an in-  
23           vestment adviser or an asset management  
24           firm, means an investment adviser or an  
25           asset management firm that—

1                   “(I) is owned more than 50 per-  
2                   cent by 1 or more individuals who are  
3                   women or minorities; and

4                   “(II) is managed by, and the  
5                   daily business operations of which are  
6                   controlled by, 1 or more individuals  
7                   who are women or minorities.”.

8                   (2) TECHNICAL AMENDMENTS.—Section 132(i)  
9                   of the Higher Education Act of 1965 (20 U.S.C.  
10                  1015a(i)(4)) is amended—

11                  (A) in paragraph (3), as redesignated by  
12                  paragraph (1), by striking “paragraph (1)” and  
13                  inserting “paragraphs (1) and (2)”;

14                  (B) in paragraph (4), as redesignated by  
15                  paragraph (1), by striking “paragraph (1)” and  
16                  inserting “paragraphs (1) and (2)”;

17                  (C) in paragraph (6)(A), as redesignated  
18                  by paragraph (1)—

19                   (i) in clause (iii) by striking “para-  
20                   graph (6)” and inserting “paragraph (7)”  
21                   each place the term appears; and

22                   (ii) in clause (vi) by striking “para-  
23                   graph (1)” and inserting “paragraphs (1)  
24                   and (2)”.

1           (3) DATA COLLECTION.—Paragraph (5) of sec-  
2           tion 132(i) of the Higher Education Act of 1965 (20  
3           U.S.C. 1015a(i)(4)), as redesignated by paragraph  
4           (1), is amended—

5                   (A) by striking “The Commissioner” and  
6           inserting the following:

7                   “(A) IN GENERAL.—The Commissioner”;

8           and

9                   (B) by adding at the end the following:

10                   “(B) RULES FOR ASSET REPORTING.—

11           With respect to the information described in  
12           clauses (i), (ii), and (iii) of paragraph (2)(A),  
13           the Secretary of Education (acting through the  
14           Commissioner for Education Statistics), the Se-  
15           curities and Exchange Commission, and the  
16           Under Secretary of Commerce for Minority  
17           Business Development shall, jointly, issue rules  
18           to establish a standardized form and manner  
19           for collecting and reporting such information.”.

20           (4) RULE OF CONSTRUCTION.—Nothing in the  
21           amendments made by this section may be construed  
22           to limit the authority of the Secretary of Education  
23           to collect additional diversity information not specifi-  
24           cally described in the amendments made by this sec-  
25           tion.

1 (b) ANALYSIS AND REPORT BY THE MINORITY BUSI-  
2 NESS DEVELOPMENT AGENCY.—

3 (1) IN GENERAL.—After the end of the 1-year  
4 period beginning on the date that information is  
5 first reported under section 132(i)(2) of the Higher  
6 Education Act of 1965 (as added by subsection (a)),  
7 the Under Secretary of Commerce for Minority  
8 Business Development shall, in consultation with  
9 representatives from industry (including minority- or  
10 women-owned investment advisers and minority- or  
11 women-owned asset management firms)—

12 (A) analyze all information reported under  
13 that paragraph (2); and

14 (B) issue a report to the Congress, and  
15 make such report available to the public, con-  
16 taining—

17 (i) any recommended best practices  
18 the Under Secretary may have for substan-  
19 tially increasing the use of minority- or  
20 women-owned investment advisers and  
21 minority- or women-owned asset manage-  
22 ment firms in the investment and bond  
23 transactions of institutions of higher edu-  
24 cation; and

1 (ii) any recommendations the Under  
2 Secretary may have for regulatory or legis-  
3 lative changes to increase the use of such  
4 advisers and firms.

5 (2) UPDATED REPORTS.—The Under Secretary  
6 of Commerce for Minority Business Development  
7 shall update the report required under paragraph  
8 (1)(B) every 2 years.

9 (3) DEFINITIONS.—In this subsection, the  
10 terms “investment advisor”, “minority” and  
11 “minority- or women-owned” have the meaning give  
12 those terms in section 132(i)(2) of the Higher Edu-  
13 cation Act of 1965 (as added by subsection (a)).

14 **SEC. 3. MBDA CONFERENCE.**

15 (a) IN GENERAL.—The Under Secretary of Com-  
16 merce for Minority Business Development shall, in con-  
17 sultation with the Secretary of Education, every 2 years,  
18 convene a conference of institutions of higher education,  
19 minority- or women-owned investment advisers, minority-  
20 or women-owned asset management firms, and investment  
21 consultants to help those institutions, advisers, and firms  
22 to share best practices for investment and bond trans-  
23 actions, including increasing opportunities for such advis-  
24 ers and asset management firms, and learn about the ben-

1 efits of using such advisers and firms for investment and  
2 bond transactions.

3 (b) DEFINITIONS.—In this section, the terms “invest-  
4 ment advisor”, “minority” and “minority- or women-  
5 owned” have the meaning give those terms in section  
6 132(i)(2) of the Higher Education Act of 1965 (as added  
7 by section 2(a)).

8 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
9 authorized to be appropriated to the Under Secretary of  
10 Commerce for Minority Business Development \$3,000,000  
11 to carry out this section.

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