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

IN THE HOUSE OF REPRESENTATIVES

Mr. CLEAVER introduced the following bill; which was referred to the Committee on _______________________

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 Representatives of the United States of America in Congress assembled,

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SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Endowment Transparency Act”.

4 SEC. 2. REPORTING ON ASSETS OF INSTITUTIONS OF HIGHER EDUCATION.

5 (a) CONSUMER INFORMATION.—
(1) ASSET REPORTING.—Section 132(i)(1) of the Higher Education Act of 1965 (20 U.S.C. 1015a(i)(1)) is amended by adding at the end the following:

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

“(I) by an investment adviser, disaggregated by asset class; or

“(II) by a minority- or women-owned investment adviser, disaggregated by asset class and race of the investment adviser.

“(ii) With respect to investment advisers employed by the institution, the number of such investment advisers, disaggregated by gender and race.

“(iii) The percent of bond issuances by the institution that are underwritten by minority- or women-owned asset management firms.

“(iv) In this subparagraph—

“(I) the term ‘investment adviser’ has the meaning given that term under section 202(a) of the Investment Advisers Act of 1940;

“(II) the term ‘minority’ has the meaning given that term under section
308(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989; and

‘‘(III) the term ‘minority- or women-owned’, when used with respect to an investment adviser or an asset management firm, means an investment adviser or an asset management firm which—

‘‘(aa) is owned more than 50 percent by one or more individuals who are women or minorities; and

‘‘(bb) is managed by, and the daily business operations of which are controlled by, one or more individuals who are women or minorities.’’.

(2) DATA COLLECTION.—Section 132(i)(4) of the Higher Education Act of 1965 (20 U.S.C. 1015a(i)(4)) is amended—

(A) by striking ‘‘The Commissioner’’ and inserting the following:

‘‘(A) IN GENERAL.—The Commissioner’’;

and

(B) by adding at the end the following:

‘‘(B) RULES FOR ASSET REPORTING.—With respect to the information described in
clauses (i), (ii), and (iii) of paragraph (1)(AA),
the Secretary of Education (acting through the
Commissioner for Education Statistics), the Se-
curities and Exchange Commission, and the
Under Secretary of Commerce for Minority
Business Development shall, jointly, issue rules
to establish a standardized form and manner
for collecting and reporting such information.”.

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

(1) IN GENERAL.—After the end of the 1-year
period beginning on the date that information is
first reported under subparagraph (AA) of section
132(i)(1) of the Higher Education Act of 1965, the
Under Secretary of Commerce for Minority Business
Development shall, in consultation with representa-
tives from industry (including minority- or women-
owned investment advisers and minority- or women-
owned asset management firms)—

(A) analyze all information reported under
that subparagraph (AA); and

(B) issue a report to the Congress, and

make such report available to the public, con-
taining—
(i) any recommended best practices the Under Secretary may have for substantially increasing the use of minority- or women-owned investment advisers and minority- or women-owned asset management firms in the investment and bond transactions of institutions of higher education; and

(ii) any recommendations the Under Secretary may have for regulatory or legislative changes to increase the use of such advisers and firms.

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

SEC. 3. MBDA CONFERENCE.

(a) IN GENERAL.—The Under Secretary of Commerce for Minority Business Development shall, every 5 years, convene a conference of institutions of higher education, minority- or women-owned investment advisers, minority- or women-owned asset management firms, and investment consultants to help those institutions, advisers, and firms to share best practices for investment and bond transactions, including increasing opportunities for such
advisers and asset management firms, and learn about the
benefits of using such advisers and firms for investment
and bond transactions.

(b) Authorization of Appropriations.—There is
authorized to be appropriated to the Under Secretary of
Commerce for Minority Business Development $1,000,000
to carry out this section.