

115TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REPORT
115-550

PROMOTING REAL OPPORTUNITY, SUCCESS,
AND PROSPERITY THROUGH EDUCATION
REFORM ACT

R E P O R T

OF THE

COMMITTEE ON EDUCATION AND THE
WORKFORCE

TO ACCOMPANY
H.R. 4508

together with

MINORITY VIEWS



FEBRUARY 8, 2018.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed

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FEBRUARY 8, 2018.—Committed to the Committee of the Whole House on the State
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Ms. FOXX, from the Committee on Education and the Workforce,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 4508]

[Including cost estimate of the Congressional Budget Office]

The Committee Education and the Workforce, to whom was referred the bill (H.R. 4508) to support students in completing an affordable postsecondary education that will prepare them to enter the workforce with the skills they need for lifelong success, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Promoting Real Opportunity, Success, and Prosperity through Education Reform Act” or the “PROSPER Act”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References.
Sec. 3. General effective date.

TITLE I—GENERAL PROVISIONS

PART A—DEFINITIONS

Sec. 101. Definition of institution of higher education.
Sec. 102. Institutions outside the United States.
Sec. 103. Additional definitions.
Sec. 104. Regulatory relief.

PART B—ADDITIONAL GENERAL PROVISIONS

Sec. 111. Free speech protections.
Sec. 112. Sense of Congress on inclusion and respect.

- Sec. 113. National Advisory Committee on Institutional Quality and Integrity.
- Sec. 114. Repeal of certain reporting requirements.
- Sec. 115. Programs on drug and alcohol abuse prevention.
- Sec. 116. Campus access for religious groups.
- Sec. 117. Secretarial prohibitions.
- Sec. 118. Ensuring equal treatment by governmental entities.
- Sec. 119. Single-sex social student organizations.
- Sec. 120. Department staff.
- Sec. 120A. Department of Homeland Security Recruiting on Campus.

PART C—COST OF HIGHER EDUCATION

- Sec. 121. College Dashboard website.
- Sec. 122. Net price calculators.
- Sec. 123. Text book information.
- Sec. 124. Review of current data collection and feasibility study of improved data collection.

PART D—ADMINISTRATIVE PROVISIONS FOR DELIVERY OF STUDENT FINANCIAL ASSISTANCE

- Sec. 131. Performance-based organization for the delivery of Federal student financial assistance.
- Sec. 132. Administrative data transparency.
- Sec. 133. Report by GAO on transfer of functions of the Office of Federal Student Aid to the Department of Treasury.

PART E—LENDER AND INSTITUTION REQUIREMENTS RELATING TO EDUCATION LOANS

- Sec. 141. Modification of preferred lender arrangements.

PART F—ADDRESSING SEXUAL ASSAULT

- Sec. 151. Addressing sexual assault.

TITLE II—EXPANDING ACCESS TO IN-DEMAND APPRENTICESHIPS

- Sec. 201. Repeal.
- Sec. 202. Grants for access to high-demand careers.

TITLE III—INSTITUTIONAL AID

- Sec. 301. Strengthening institutions.
- Sec. 302. Strengthening historically Black colleges and universities.
- Sec. 303. Historically Black college and university capital financing.
- Sec. 304. Minority Science and Engineering Improvement Program.
- Sec. 305. Strengthening historically Black colleges and universities and other minority-serving institutions.
- Sec. 306. General provisions.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

- Sec. 401. Federal Pell Grants.
- Sec. 402. Federal TRIO programs.
- Sec. 403. Gaining early awareness and readiness for undergraduate programs.
- Sec. 404. Special programs for students whose families are engaged in migrant and seasonal farmwork.
- Sec. 405. Child care access means parents in school.
- Sec. 406. Repeals.
- Sec. 407. Sunset of TEACH grants.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

- Sec. 421. Federal Direct Consolidation Loans.
- Sec. 422. Loan rehabilitation.
- Sec. 423. Loan forgiveness for teachers.
- Sec. 424. Loan forgiveness for service in areas of national need.
- Sec. 425. Loan repayment for civil legal assistance attorneys.
- Sec. 426. Sunset of cohort default rate and other conforming changes.
- Sec. 427. Additional disclosures.
- Sec. 428. Closed school and other discharges.

PART C—FEDERAL WORK-STUDY PROGRAMS

- Sec. 441. Purpose; authorization of appropriations.
- Sec. 442. Allocation formula.
- Sec. 443. Grants for Federal work-study programs.
- Sec. 444. Flexible use of funds.
- Sec. 445. Job location and development programs.
- Sec. 446. Community service.
- Sec. 447. Work colleges.

PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

- Sec. 451. Termination of Federal Direct Loan Program under part D and other conforming amendments.
- Sec. 452. Borrower defenses.
- Sec. 453. Plain language disclosure form.
- Sec. 454. Administrative expenses.
- Sec. 455. Loan cancellation for teachers.

PART E—FEDERAL ONE LOANS

- Sec. 461. Wind-down of Federal Perkins Loan Program.
- Sec. 462. Federal ONE Loan program.

PART F—NEED ANALYSIS

- Sec. 471. Cost of attendance.
- Sec. 472. Simplified needs test.

- Sec. 473. Discretion of student financial aid administrators.
 Sec. 474. Definitions of total income and assets.

PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

- Sec. 481. Definitions of academic year and eligible program.
 Sec. 482. Programmatic loan repayment rates.
 Sec. 483. Master calendar.
 Sec. 484. FAFSA Simplification.
 Sec. 485. Student eligibility.
 Sec. 486. Statute of limitations.
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 Sec. 490. Distance education demonstration programs.
 Sec. 491. Contents of program participation agreements.
 Sec. 492. Regulatory relief and improvement.
 Sec. 493. Transfer of allotments.
 Sec. 494. Administrative expenses.
 Sec. 494A. Repeal of advisory committee.
 Sec. 494B. Regional meetings and negotiated rulemaking.
 Sec. 494C. Report to Congress.
 Sec. 494D. Deferral of loan repayment following active duty.
 Sec. 494E. Contracts; matching program.

PART H—PROGRAM INTEGRITY

- Sec. 495. Repeal of and prohibition on State authorization regulations.
 Sec. 496. Recognition of accrediting agency or association.
 Sec. 497. Eligibility and certification procedures.

TITLE V—DEVELOPING INSTITUTIONS

- Sec. 501. Hispanic-serving institutions.
 Sec. 502. Promoting postbaccalaureate opportunities for Hispanic Americans.
 Sec. 503. General provisions.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

- Sec. 601. International and foreign language studies.
 Sec. 602. Business and international education programs.
 Sec. 603. Repeal of assistance program for Institute for International Public Policy.
 Sec. 604. General provisions.

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

- Sec. 701. Graduate education programs.
 Sec. 702. Repeal of Fund for the Improvement of Postsecondary Education.
 Sec. 703. Programs for students with disabilities.
 Sec. 704. Repeal of college access challenge grant program.

TITLE VIII—OTHER REPEALS

- Sec. 801. Repeal of additional programs.

TITLE IX—AMENDMENTS TO OTHER LAWS

PART A—EDUCATION OF THE DEAF ACT OF 1986

- Sec. 901. Education of the Deaf Act of 1986.

PART B—TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES ASSISTANCE ACT OF 1978; DINE' COLLEGE ACT

- Sec. 911. Tribally Controlled Colleges and Universities Assistance Act of 1978.
 Sec. 912. Dine' College Act.

PART C—GENERAL EDUCATION PROVISIONS ACT

- Sec. 921. Release of education records to facilitate the award of a recognized postsecondary credential.

SEC. 2. REFERENCES.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

SEC. 3. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this Act or the amendments made by this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act.

TITLE I—GENERAL PROVISIONS

PART A—DEFINITIONS

SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDUCATION.

Part A of title I (20 U.S.C. 1001 et seq.) is amended by striking section 101 (20 U.S.C. 1001) and inserting the following:

“SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDUCATION.

“(a) **INSTITUTION OF HIGHER EDUCATION.**—For purposes of this Act, the term ‘institution of higher education’ means an educational institution in any State that—

“(1) admits as regular students only persons who—

“(A) have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, or who meet the requirements of section 484(d);

“(B) are beyond the age of compulsory school attendance in the State in which the institution is located; or

“(C) will be dually or concurrently enrolled in the institution and a secondary school;

“(2) is legally authorized by the State in which it maintains a physical location to provide a program of education beyond secondary education;

“(3)(A) is accredited by a nationally recognized accrediting agency or association; or

“(B) if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time; and

“(4) provides—

“(A) an educational program for which the institution awards a bachelor’s degree, graduate degree, or professional degree;

“(B) not less than a 2-year educational program which is acceptable for full credit towards a bachelor’s degree; or

“(C) a non-degree program leading to a recognized educational credential that meets the definition of an eligible program under section 481(b).

“(b) **ADDITIONAL LIMITATIONS.**—

“(1) **PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION.**—

“(A) **LENGTH OF EXISTENCE.**—A proprietary institution shall not be considered an institution of higher education unless such institution has been in existence for at least 2 years.

“(B) **INSTITUTIONAL INELIGIBILITY FOR MINORITY SERVING INSTITUTION PROGRAMS.**—A proprietary institution shall not be considered an institution of higher education for the purposes of any program under title III or V.

“(2) **POSTSECONDARY VOCATIONAL INSTITUTIONS.**—A nonprofit or public institution that offers only non-degree programs described in subsection (a)(4)(C) shall not be considered an institution of higher education unless such institution has been in existence for at least 2 years.

“(3) **LIMITATIONS BASED ON MANAGEMENT.**—An institution shall not be considered an institution of higher education if—

“(A) the institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy; or

“(B) the institution, the institution’s owner, or the institution’s chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of Federal funds, or has been judicially determined to have committed a crime involving the acquisition, use, or expenditure involving Federal funds.

“(4) **LIMITATION ON COURSE OF STUDY OR ENROLLMENT.**—An institution shall not be considered an institution of higher education if such institution—

“(A) offers more than 50 percent of such institution’s courses by correspondence education, unless the institution is an institution that meets the definition in section 3(3)(C) of the Carl D. Perkins Career and Technical Education Act of 2006;

“(B) enrolls 50 percent or more of the institution’s students in correspondence education courses, unless the institution is an institution that meets the definition in section 3(3)(C) of such Act;

“(C) has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for an institution that provides a 2- or 4-year program of instruction (or both) for which the institution awards an associate’s degree or a postsecondary certificate, or a bachelor’s degree, respectively; or

“(D) has a student enrollment in which more than 50 percent of the students either do not have a secondary school diploma or its recognized equivalent, or do not meet the requirements of section 484(d), and does not provide a 2- or 4-year program of instruction (or both) for which the institution

awards an associate's degree or a bachelor's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if an institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent or do not meet the requirements of section 484(d).

“(c) LIST OF ACCREDITING AGENCIES.—For purposes of this section, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part H of title IV, to be reliable authority as to the quality of the education offered.

“(d) CERTIFICATION.—The Secretary shall certify, for the purposes of participation in title IV, an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part H of title IV.

“(e) LOSS OF ELIGIBILITY.—An institution of higher education shall not be considered to meet the definition of an institution of higher education for the purposes of participation in title IV if such institution is removed from eligibility for funds under title IV as a result of an action pursuant to part H of title IV.

“(f) RULE OF CONSTRUCTION.—Nothing in subsection (a)(2) relating to State authorization shall be construed to—

“(1) impede or preempt State laws, regulations, or requirements on how States authorize out-of-state institutions of higher education; or

“(2) limit, impede, or preclude a State's ability to collaborate or participate in a reciprocity agreement to permit an institution within such State to meet any other State's authorization requirements for out-of-state institutions.”.

SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.

Part A of title I (20 U.S.C. 1001 et seq.) is further amended by striking section 102 (20 U.S.C. 1002) and inserting the following:

“SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.

“(a) INSTITUTIONS OUTSIDE THE UNITED STATES.—

“(1) IN GENERAL.—Only for purposes of part D or E of title IV, the term ‘institution of higher education’ includes an institution outside the United States (referred to in this part as a ‘foreign institution’) that is comparable to an institution of higher education as defined in section 101 and has been approved by the Secretary for purposes of part D or E of title IV, consistent with the requirements of section 452(d).

“(2) QUALIFICATIONS.—Only for the purposes of students receiving aid under title IV, an institution of higher education may not qualify as a foreign institution under paragraph (1), unless such institution—

“(A) is legally authorized to provide an educational program beyond secondary education by the education ministry (or comparable agency) of the country in which the institution is located;

“(B) is not located in a State;

“(C) except as provided with respect to clinical training offered by the institution under 600.55(h)(1), section 600.56(b), or section 600.57(a)(2) of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b))—

“(i) does not offer any portion of an educational program in the United States to students who are citizens of the United States;

“(ii) has no written arrangements with an institution or organization located in the United States under which students enrolling at the foreign institution would take courses from an institution located in the United States; and

“(iii) does not allow students to enroll in any course offered by the foreign institution in the United States, including research, work, internship, externship, or special studies within the United States, except that independent research done by an individual student in the United States for not more than one academic year is permitted, if the research is conducted during the dissertation phase of a doctoral program under the guidance of faculty and the research is performed at a facility in the United States;

“(D) awards degrees, certificates, or other recognized educational credentials in accordance with section 600.54(e) of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b)) that are officially recognized by the country in which the institution is located; and

“(E) meets the applicable requirements of subsection (b).

“(3) INSTITUTIONS WITH LOCATIONS IN AND OUTSIDE THE UNITED STATES.—In a case of an institution of higher education consisting of two or more locations offering all or part of an educational program that are directly or indirectly

under common ownership and that enrolls students both within a State and outside the United States, and the number of students who would be eligible to receive funds under title IV attending locations of such institution outside the United States, is at least twice the number of students enrolled within a State—

“(A) the locations outside the United States shall apply to participate as one or more foreign institutions and shall meet the requirements of paragraph (1) of this definition, and the other requirements of this part; and

“(B) the locations within a State shall be treated as an institution of higher education under section 101.

“(b) TREATMENT OF CERTAIN REGULATIONS.—

“(1) FORCE AND EFFECT.—

“(A) IN GENERAL.—The provisions of title 34, Code of Federal Regulations, referred to in subparagraph (B), as such provisions were in effect on the day before the date of the enactment of the PROSPER Act, shall have the force and effect of enacted law until changed by such law and are deemed to be incorporated in this subsection as though set forth fully in this subsection.

“(B) APPLICABLE PROVISIONS.—The provisions of title 34, Code of Federal Regulations, referred to in this subparagraph are the following:

“(i) Subject to paragraph (2)(A), section 600.41(e)(3).

“(ii) Subject to paragraph (2)(B), section 600.52.

“(iii) Subject to paragraph (2)(C), section 600.54.

“(iv) Subject to subparagraphs (D) and (E) of paragraph (2), section 600.55, except that paragraph (4) of subsection (f) of such section shall have no force or effect.

“(v) Section 600.56.

“(vi) Subject to paragraph (2)(F), section 600.57.

“(vii) Subject to subparagraphs (G) and (H) of paragraph (2), section 668.23(h), except that clause (iii) of paragraph (1) of such section shall have no force or effect.

“(viii) Section 668.5.

“(C) APPLICATION TO FEDERAL ONE LOANS.—With respect to the provisions of title 34, Code of Federal Regulations, referred to in subparagraph (B), as modified by paragraph (2) any reference to a loan made under part D of title IV shall also be treated as a reference to a loan made under part E of title IV.

“(2) MODIFICATIONS.—The following shall apply to the provisions of title 34, Code of Federal Regulations, referred to in paragraph (1)(B):

“(A) Notwithstanding section 600.41(e)(3) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), if the basis for the loss of eligibility of a foreign graduate medical school to participate in programs under title IV is one or more annual pass rates on the United States Medical Licensing Examination below the threshold required in subparagraph (D) the sole issue is whether the aggregate pass rate for the preceding calendar year fell below that threshold. For purposes of the preceding sentence, in the case of a foreign graduate medical school that opted to have the Educational Commission for Foreign Medical Graduates calculate and provide the pass rates directly to the Secretary for the preceding calendar year as permitted under section 600.55(d)(2) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), in lieu of the foreign graduate medical school providing pass rate data to the Secretary under section 600.55(d)(1)(iii) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), the Educational Commission for Foreign Medical Graduates’ calculations of the school’s rates are conclusive; and the presiding official has no authority to consider challenges to the computation of the rate or rates by the Educational Commission for Foreign Medical Graduates.

“(B) Notwithstanding section 600.52 of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), in this Act, the term ‘foreign institution’ means an institution described in subsection (a).

“(C) Notwithstanding section 600.54(c) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), to be eligible to participate in programs under title IV, foreign institution may not enter into a written arrangement under which an institution or organizations that is not eligible to participate in programs under title IV provides more than 25 percent of the program of study for one or more of the eligible foreign institution’s programs.

“(D) Notwithstanding section 600.55(f)(1)(ii) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), for a foreign graduate medical school outside of Canada, for Step 1, Step 2–CS, and Step 2–CK, or the successor examinations, of the United States Medical Licensing Examination administered by the Educational Commission for Foreign Medical Graduate, at least 75 percent of the school’s students and graduates who receive or have received title IV funds in order to attend that school, and who completed the final of these three steps of the examination in the year preceding the year for which any of the school’s students seeks a loan under title IV shall have received an aggregate passing score on the exam as a whole; or except as provided in section 600.55(f)(2) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), for no more than two consecutive years, at least 70 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (who receive or have received title IV funds in order to attend that school) taking the United States Medical Licensing Examination exams in the year preceding the year for which any of the school’s students seeks a loan under title IV shall have received an aggregate passing score on the exam as a whole.

“(E) Notwithstanding 600.55(h)(2) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), not more than 25 percent of the graduate medical educational program offered to United States students, other than the clinical training portion of the program, may be located outside of the country in which the main campus of the foreign graduate medical school is located.

“(F) Notwithstanding section 600.57(a)(5) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), a nursing school shall reimburse the Secretary for the cost of any loan defaults for current and former students during the previous fiscal year.

“(G) Notwithstanding section 668.23(h)(1)(ii), of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), a foreign institution that received \$500,000 or more in funds under title IV during its most recently completed fiscal year shall submit, in English, for each most recently completed fiscal year in which it received such funds, audited financial statements prepared in accordance with generally accepted accounting principles of the institution’s home country provided that such accounting principles are comparable to the International Financial Reporting Standards.

“(H) Notwithstanding section 668.23(h)(1)(ii), of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), only in a case in which the accounting principles of an institution’s home country are not comparable to International Financial Reporting Standards shall the institution be required to submit corresponding audited financial statements that meet the requirements of section 668.23(d) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)).

“(c) SPECIAL RULES.—

“(1) IN GENERAL.—A foreign graduate medical school at which student test passage rates are below the minimum requirements set forth in subsection (b)(2)(D) for each of the two most recent calendar years for which data are available shall not be eligible to participate in programs under part D or E of title IV in the fiscal year subsequent to that consecutive two year period and such institution shall regain eligibility to participate in programs under such part only after demonstrating compliance with requirements under section 600.55 of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b)) for one full calendar year subsequent to the fiscal year the institution became ineligible unless, within 30 days of receiving notification from the Secretary of the loss of eligibility under this paragraph, the institution appeals the loss of its eligibility to the Secretary. The Secretary shall issue a decision on any such appeal within 45 days after its submission. Such decision may permit the institution to continue to participate in programs under part D or E of title IV, if—

“(A) the institution demonstrates to the satisfaction of the Secretary that the test passage rates on which the Secretary has relied are not accurate, and that the recalculation of such rates would result in rates that exceed the required minimum for any of these two calendar years; or

“(B) there are, in the judgement of the Secretary, mitigating circumstances that would make the application of this paragraph inequitable.

“(2) STUDENT ELIGIBILITY.—If, pursuant to this subsection, a foreign graduate medical school loses eligibility to participate in the programs under part D or E of title IV, then a student at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under such part while at-

tending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

“(3) TREATMENT OF CLINICAL TRAINING PROGRAMS.—

“(A) IN GENERAL.—Clinical training programs operated by a foreign graduate medical school with an accredited hospital or clinic in the United States or at an institution in Canada accredited by the Liaison Committee on Medical Education shall be deemed to be approved and shall not require the prior approval of the Secretary.

“(B) ON-SITE EVALUATIONS.—Any part of a clinical training program operated by a foreign graduate medical school located in a foreign country other than the country in which the main campus is located, in the United States, or at an institution in Canada accredited by the Liaison Committee on Medical Education, shall not require an on-site evaluation or specific approval by the institution’s medical accrediting agency if the location is a teaching hospital accredited by and located within a foreign country approved by the National Committee on Foreign Medical Education and Accreditation.

“(d) FAILURE TO RELEASE INFORMATION.—An institution outside the United States that does not provide to the Secretary such information as may be required by this section shall be ineligible to participate in the loan program under part D or E of title IV.

“(e) ONLINE EDUCATION.—Notwithstanding section 481(b)(2), an eligible program described in section 600.54 of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b)) may not offer more than 50 percent of courses through telecommunications.”.

SEC. 103. ADDITIONAL DEFINITIONS.

(a) DIPLOMA MILL.—Section 103(5)(B) (20 U.S.C. 1003(5)(B)) is amended by striking “section 102” and inserting “section 101 or 102”.

(b) CORRESPONDENCE EDUCATION.—Section 103(7) (20 U.S.C. 1003(7)) is amended to read as follows:

“(7) CORRESPONDENCE EDUCATION.—The term ‘correspondence education’ means education that is provided by an institution of higher education under which—

“(A) the institution provides instructional materials (including examinations on the materials) by mail or electronic transmission to students who are separated from the instructor; and

“(B) interaction between the institution and the student is limited and the academic instruction by faculty is not regular and substantive, as assessed by the institution’s accrediting agency or association under section 496.”.

(c) EARLY CHILDHOOD EDUCATION PROGRAM.—Section 103(8) (20 U.S.C. 1003(8)) is amended to read as follows:

“(8) EARLY CHILDHOOD EDUCATION PROGRAM.—The term ‘early childhood education program’ means a program—

“(A) that serves children of a range of ages from birth through age five that addresses the children’s cognitive (including language, early literacy, and early mathematics), social, emotional, and physical development; and

“(B) that is—

“(i) a Head Start program or an Early Head Start program carried out under the Head Start Act (42 U.S.C. 9831 et seq.), including a migrant or seasonal Head Start program, an Indian Head Start program, or a Head Start program or an Early Head Start program that also receives State funding;

“(ii) a State licensed or regulated child care program;

“(iii) a State-funded prekindergarten or child care program;

“(iv) a program authorized under section 619 of the Individuals with Disabilities Education Act or part C of such Act; or

“(v) a program operated by a local educational agency.”.

(d) NONPROFIT.—Section 103(13) (20 U.S.C. 1003(13)) is amended to read as follows:

“(13) NONPROFIT.—

“(A) The term ‘nonprofit’, when used with respect to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

“(B) The term ‘nonprofit’, when used with respect to foreign institution means—

“(i) an institution that is owned and operated only by one or more nonprofit corporations or associations; and

“(ii)(I) if a recognized tax authority of the institution’s home country is recognized by the Secretary for purposes of making determinations of an institution’s nonprofit status for purposes of title IV, the institution is determined by that tax authority to be a nonprofit educational institution; or

“(II) if no recognized tax authority of the institution’s home country is recognized by the Secretary for purposes of making determinations of an institution’s nonprofit status for purposes of title IV, the foreign institution demonstrates to the satisfaction of the Secretary that it is a nonprofit educational institution.”.

(e) COMPETENCY-BASED EDUCATION; COMPETENCY-BASED EDUCATION PROGRAM.—Section 103 (20 U.S.C. 1003) is amended by adding at the end the following:

“(25) COMPETENCY-BASED EDUCATION; COMPETENCY-BASED EDUCATION PROGRAM.—

“(A) COMPETENCY-BASED EDUCATION.—Except as otherwise provided, the term ‘competency-based education’ means education that—

“(i) measures academic progress and attainment—

“(I) by direct assessment of a student’s level of mastery of competencies;

“(II) by expressing a student’s level of mastery of competencies in terms of equivalent credit or clock hours; or

“(III) by a combination of the methods described in subclauses (I) or (II) and credit or clock hours; and

“(ii) provides the educational content, activities, and resources, including substantive instructional interaction, including by faculty, and regular support by the institution, necessary to enable students to learn or develop what is required to demonstrate and attain mastery of such competencies, as assessed by the accrediting agency or association of the institution of higher education.

“(B) COMPETENCY-BASED EDUCATION PROGRAM.—Except as otherwise provided, the term ‘competency-based education program’ means a postsecondary program offered by an institution of higher education that—

“(i) provides competency-based education, which upon a student’s demonstration or mastery of a set of competencies identified and required by the institution, leads to or results in the award of a certificate, degree, or other recognized educational credential;

“(ii) ensures title IV funds may be used only for learning that results from instruction provided, or overseen, by the institution, not for the portion of the program of which the student has demonstrated mastery prior to enrollment in the program or tests of learning that are not associated with educational activities overseen by the institution; and

“(iii) is organized in such a manner that an institution can determine, based on the method of measurement selected by the institution under subparagraph (A)(i), what constitutes a full-time, three-quarter time, half-time, and less than half-time workload for the purposes of awarding and administering assistance under title IV of this Act, or assistance provided under another provision of Federal law to attend an institution of higher education.

“(C) COMPETENCY DEFINED.—In this paragraph, the term ‘competency’ means the knowledge, skill, or ability demonstrated by a student in a subject area.”.

(f) PAY FOR SUCCESS INITIATIVE.—Section 103 (20 U.S.C. 1003) is amended by adding at the end the following:

“(26) PAY FOR SUCCESS INITIATIVE.—The term ‘pay for success initiative’ has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).”.

(g) EVIDENCE-BASED.—Section 103 (20 U.S.C. 1003) is amended by adding at the end the following:

“(27) EVIDENCE-BASED.—The term ‘evidence-based’ has the meaning given the term in section 8101(21)(A) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(21)(A)), except that such term shall also apply to institutions of higher education.”.

SEC. 104. REGULATORY RELIEF.

(a) REGULATIONS REPEALED.—

(1) REPEAL.—The following regulations (including any supplement or revision to such regulations) are repealed and shall have no legal effect:

(A) DEFINITION OF CREDIT HOUR.—The definition of the term “credit hour” in section 600.2 of title 34, Code of Federal Regulations, as added by the final regulations published by the Department of Education in the Federal Register on October 29, 2010 (75 Fed. Reg. 66946).

(B) GAINFUL EMPLOYMENT.—Sections 600.10(c), 600.20(d), 668.401 through 668.415, 668.6, and 668.7, of title 34, Code of Federal Regulations, as added or amended by the final regulations published by the Department of Education in the Federal Register on October 31, 2014 (79 Fed. Reg. 64889 et seq.).

(C) BORROWER DEFENSE.—Sections 668.41, 668.90, 668.93, 668.171, 668.175, 674.33, 682.211, 682.402(d), 682.405, 682.410, 685.200, 685.205, 685.206, 685.212(k), 685.214, 685.215, 685.222, appendix A to subpart B of part 685, 685.300, 685.308, of title 34, Code of Federal Regulations, as added or amended by the final regulations published by the Department of Education in the Federal Register on November 1, 2016 (81 Fed. Reg. 75926 et seq.).

(2) EFFECT OF REPEAL.—To the extent that regulations repealed—

(A) by subparagraph (A) or subparagraph (B) of paragraph (1) amended regulations that were in effect on June 30, 2011, the provisions of the regulations that were in effect on June 30, 2011, and were so amended are restored and revived as if the regulations repealed by such subparagraph had not taken effect; and

(B) by paragraph (1)(C) amended regulations that were in effect on October 31, 2016, the provisions of the regulations that were in effect on October 31, 2016, and were so amended are restored and revived as if the regulations repealed by paragraph (1)(C) had not taken effect.

(b) CERTAIN REGULATIONS AND OTHER ACTIONS PROHIBITED.—

(1) GAINFUL EMPLOYMENT.—The Secretary of Education shall not, on or after the date of enactment of this Act, promulgate or enforce any regulation or rule with respect to the definition or application of the term “gainful employment” for any purpose under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(2) CREDIT HOUR.—The Secretary of Education shall not, on or after the date of enactment of this Act, promulgate or enforce any regulation or rule with respect to the definition of the term “credit hour” for any purpose under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(3) POSTSECONDARY INSTITUTION RATINGS SYSTEM.—The Secretary of Education shall not carry out, develop, refine, promulgate, publish, implement, administer, or enforce a postsecondary institution ratings system or any other performance system to rate institutions of higher education (as defined in section 101 or 102 of the Higher Education Act of 1965 (20 U.S.C. 1001; 1002)).

PART B—ADDITIONAL GENERAL PROVISIONS

SEC. 111. FREE SPEECH PROTECTIONS.

Part B of title I (20 U.S.C. 1011 et seq.) is amended by redesignating section 112 as section 112A and section 112A, as so redesignated, is amended—

(1) in subsection (a)—

(A) by redesignating paragraph (2) as paragraph (4); and

(B) by inserting after paragraph (1) the following:

“(2) It is the sense of Congress that—

“(A) every individual should be free to profess, and to maintain, the opinion of such individual in matters of religion, and that professing or maintaining such opinion should in no way diminish, enlarge, or affect the civil liberties or rights of such individual on the campus of an institution of higher education; and

“(B) no public institution of higher education directly or indirectly receiving financial assistance under this Act should limit religious expression, free expression, or any other rights provided under the First Amendment.

“(3) It is the sense of Congress that—

“(A) free speech zones and restrictive speech codes are inherently at odds with the freedom of speech guaranteed by the First Amendment of the Constitution; and

“(B) no public institution of higher education directly or indirectly receiving financial assistance under this Act should restrict the speech of such institution’s students through such zones or codes.”;

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(3) by inserting after subsection (a), the following:

“(b) DISCLOSURE OF FREE SPEECH POLICIES.—

“(1) IN GENERAL.—No institution of higher education shall be eligible to receive funds under this Act, including participation in any program under title IV, unless the institution certifies to the Secretary that the institution has annually disclosed to current and prospective students any policies held by the institutions related to protected speech on campus, including policies limiting where and when such speech may occur, and the right to submit a complaint under paragraph (2) if the institution is not in compliance with any policy disclosed under this paragraph or is enforcing a policy related to protected speech that has not been disclosed by the institution under this paragraph.

“(2) COMPLAINT ON SPEECH POLICIES.—

“(A) DESIGNATION OF AN EMPLOYEE.—The Secretary shall designate an employee in the Office of Postsecondary Education of the Department to receive complaints from students or student organizations that believe an institution is not in compliance with any policy disclosed under paragraph (1) or is enforcing a policy related to protected speech that has not been disclosed by the institution under such paragraph.

“(B) COMPLAINT.—A complaint submitted under subparagraph (A)—

“(i) shall—

“(I) include the provision of the institution’s policy the complainant believes the institution is not in compliance with or how the institution is enforcing a policy related to protected speech that has not been disclosed under paragraph (1); and

“(II) be filed not later than 7 days of the complainant’s denial of a right to speak; and

“(ii) may affirmatively assert that the violation described in clause

(i)(I) is a violation of the complainant’s constitutional rights.

“(C) SECRETARIAL REQUIREMENTS.—

“(i) REVIEW.—

“(I) IN GENERAL.—Not later than 7 days after the receipt of the complaint, the Secretary shall review the complaint and request a response to the complaint from the institution.

“(II) RESPONSE OF SECRETARY.—Not later than 10 days after the receipt of the complaint, the Secretary shall make a decision with respect to such complaint, without regard to whether the institution provides a response to such complaint.

“(ii) DETERMINATION THAT INSTITUTION FAILED TO COMPLY.—If, upon the review required under clause (i), the Secretary determines that the institution is not in compliance with the institution’s policy disclosed under paragraph (1), or the institution is enforcing a policy that was not disclosed under paragraph (1), the Secretary shall—

“(I)(aa) if the Secretary determines that the institution was not in compliance with a disclosed policy, require the institution to comply with the disclosed policy and provide the complainant an opportunity to speak as any other speaker would be permitted to speak; or

“(bb) if the Secretary determines that the institution was enforcing an undisclosed policy, require the institution to immediately comply with disclosure requirement under paragraph (1) and to allow the complainant to speak as if such policy were not held by the institution; and

“(II) require the institution to post the decision of the Secretary on the website of the institution, except in the case in which the complainant requests that the decision not be shared.

“(iii) REFERRAL.—If the Secretary believes the denial of the right to speak may be a violation of the Constitutional rights of the complainant, the Secretary shall refer the complaint to the Department of Justice.

“(D) LIMITATIONS.—

“(i) INSTITUTION’S RELIGIOUS BELIEFS OR MISSION.—The Secretary shall defer to the institution’s religious beliefs or mission that the institution describes in its response to the complaint as applicable to the complaint.

“(ii) PROHIBITION ON REGULATIONS OR GUIDANCE.—The Secretary—

“(I) shall not promulgate any regulations with respect to this paragraph; and

“(II) may only issue guidance that explains or clarifies the process for filing or reviewing a complaint under this paragraph.”; and

- (4) in subsection (d), as redesignated by paragraph (2)—
 (A) in paragraph (2), by inserting “(including such joining, assembling, and residing for religious purposes)” after “Constitution”; and
 (B) in paragraph (3), by inserting “(including speech relating to religion)” after “Constitution”.

SEC. 112. SENSE OF CONGRESS ON INCLUSION AND RESPECT.

Part B of title I (20 U.S.C. 1011 et seq.) is further amended by inserting after section 112A (as redesignated by section 111) the following:

“SEC. 112B. SENSE OF CONGRESS ON INCLUSION AND RESPECT.

“It is the sense of Congress that—

- “(1) harassment and violence targeted at students because of their race, color, religion, sex, or national origin as listed in section 703 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–2) should be condemned;
 “(2) institutions of higher education and law-enforcement personnel should be commended for their efforts to combat violence, extremism, and racism, and to protect all members of the community from harm; and
 “(3) Congress is committed to supporting institutions of higher education in creating safe, inclusive, and respectful learning environments that fully respect community members from all backgrounds.”.

SEC. 113. NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.

Section 114 (20 U.S.C. 1011c) is amended—

- (1) by striking “section 102” each place it appears and inserting “section 101”;
 (2) in subsection (b)—
 (A) in paragraph (3), by striking “Except as provided in paragraph (5), the term” and inserting “The term”;
 (B) by striking paragraph (5) and inserting the following:
 “(5) SECRETARIAL APPOINTEES.—The Secretary may remove any member who was appointed under paragraph (1)(A) by a predecessor of the Secretary and may fill the vacancy created by such removal in accordance with paragraphs (3) and (4).”
 (3) in subsection (c)—
 (A) in paragraph (2), by adding “and” at the end;
 (B) in paragraph (3), by striking the semicolon at the end and inserting a period; and
 (C) by striking paragraphs (4) through (6);
 (4) in subsection (e)(2)(D) by striking “, including any additional functions established by the Secretary through regulation”; and
 (5) in subsection (f), by striking “September 30, 2017” and inserting “September 30, 2024”.

SEC. 114. REPEAL OF CERTAIN REPORTING REQUIREMENTS.

(a) REPEALS.—The following provisions of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) are repealed:

- (1) Section 117 (20 U.S.C. 1011f).
 (2) Section 119 (20 U.S.C. 1011h).

(b) CONFORMING AMENDMENTS.—

- (1) Section 118 is redesignated as section 117.
 (2) Sections 120, 121, 122, and 123 are redesignated as sections 118, 119, 120, and 121, respectively.
 (3) Section 485(f)(1)(H) (20 U.S.C. 1092(f)(1)(H)) is amended by striking “section 120” and inserting “section 118”.

SEC. 115. PROGRAMS ON DRUG AND ALCOHOL ABUSE PREVENTION.

Section 118 (as so redesignated) is amended to read as follows:

“SEC. 118. OPIOID MISUSE AND SUBSTANCE ABUSE PREVENTION PROGRAM.

“(a) REQUIRED PROGRAMS.—Each institution of higher education participating in any program under this Act shall adopt and implement an evidence-based program to prevent substance abuse by students and employees that, at a minimum, includes the annual distribution to each student and employee of—

- “(1) institutional standards of conduct and sanctions that clearly prohibit and address the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees; and
 “(2) the description of any drug or alcohol counseling, treatment, rehabilitation, or re-entry programs that are available to students or employees, including information on opioid abuse prevention, harm reduction, and recovery.

“(b) INFORMATION AVAILABILITY.—Each institution of higher education described in subsection (a) shall, upon request, make available to the Secretary and to the

public a copy of the institutional standards described under subsection (a)(1) and information regarding any programs described in subsection (a)(2).

“(c) **BEST PRACTICES.**—The Secretary, in consultation with the Secretary of Health and Human Services and outside experts in the field of substance use prevention and recovery support, shall—

“(1) share best practices for institutions of higher education to—

“(A) address and prevent substance use; and

“(B) support students in substance use recovery; and

“(2) if requested by an institution of higher education, provide technical assistance to such institution to implement a practice under paragraph (1).”.

SEC. 116. CAMPUS ACCESS FOR RELIGIOUS GROUPS.

Part B of title I (20 U.S.C. 1011 et seq.) (as amended by sections 111 through 115 of this part) is amended by adding at the end the following:

“SEC. 122. CAMPUS ACCESS FOR RELIGIOUS GROUPS.

“None of the funds made available under this Act may be provided to any public institution of higher education that denies to a religious student organization any right, benefit, or privilege that is generally afforded to other student organizations at the institution (including full access to the facilities of the institution and official recognition of the organization by the institution) because of the religious beliefs, practices, speech, leadership and membership standards, or standards of conduct of the religious student organization.”.

SEC. 117. SECRETARIAL PROHIBITIONS.

Part B of title I (20 U.S.C. 1011 et seq.) (as amended by sections 111 through 116 of this part) is amended by adding at the end the following:

“SEC. 123. SECRETARIAL PROHIBITIONS.

“(a) **IN GENERAL.**—Nothing in this Act shall be construed to authorize or permit the Secretary to promulgate any rule or regulation that exceeds the scope of the explicit authority granted to the Secretary under this Act.

“(b) **DEFINITIONS.**—The Secretary shall not define any term that is used in this Act in a manner that is inconsistent with the scope of this Act, including through regulation or guidance.

“(c) **REQUIREMENTS.**—The Secretary shall not impose, on an institution or State as a condition of participation in any program under this Act, any requirement that exceeds the scope of the requirements explicitly set forth in this Act for such program.”.

SEC. 118. ENSURING EQUAL TREATMENT BY GOVERNMENTAL ENTITIES.

Part B of title I (20 U.S.C. 1011 et seq.) (as amended by sections 111 through 117 of this part) is further amended by adding at the end the following:

“SEC. 124. ENSURING EQUAL TREATMENT BY GOVERNMENTAL ENTITIES.

“(a) **IN GENERAL.**—Notwithstanding any other provision of law, no government entity shall take any adverse action against an institution of higher education that receives funding under title IV, if such adverse action—

“(1)(A) is being taken by a government entity that—

“(i) is a department, agency, or instrumentality of the Federal Government; or

“(ii) receives Federal funds; or

“(B) would affect commerce with foreign nations, among the several States, or with Indian Tribes; and

“(2) has the effect of prohibiting or penalizing the institution for acts or omissions by the institution that are in furtherance of its religious mission or are related to the religious affiliation of the institution.

“(b) **ASSERTION BY INSTITUTION.**—An actual or threatened violation of subsection (a) may be asserted by an institution of higher education that receives funding under title IV as a claim or defense in a proceeding before any court. The court shall grant any appropriate equitable relief, including injunctive or declaratory relief.

“(c) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to alter or amend—

“(1) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

“(2) section 182 of the Elementary and Secondary Education Amendments Act of 1966 (42 U.S.C. 2000d-5); or

“(3) section 2 of the Elementary and Secondary Education Amendments Act of 1969 (42 U.S.C. 2000d-6)

“(d) **DEFINITIONS.**—In this section:

“(1) ADVERSE ACTION.—The term ‘adverse action’ includes, with respect to an institution of higher education or the past, current, or prospective students of such institution—

“(A) the denial or threat of denial of funding, including grants, scholarships, or loans;

“(B) the denial or threat of denial of access to facilities or programs;

“(C) the withholding or threat of withholding of any licenses, permits, certifications, accreditations, contracts, cooperative agreements, grants, guarantees, tax-exempt status, or exemptions; or

“(D) any other penalty or denial, or threat of such other penalty or denial, of an otherwise available benefit.

“(2) GOVERNMENT ENTITY.—The term ‘government entity’ means—

“(A) any department, agency, or instrumentality of the Federal Government;

“(B) a State or political subdivision of a State, or any agency or instrumentality thereof; and

“(C) any interstate or other inter-governmental entity.

“(3) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has the meaning given the term in section 101 or 102.

“(4) RELIGIOUS MISSION.—The term ‘religious mission’ includes an institution of higher education’s religious tenets, beliefs, or teachings, and any policies or decisions related to such tenets, beliefs, or teachings (including any policies or decisions concerning housing, employment, curriculum, self-governance, or student admission, continuing enrollment, or graduation).”.

SEC. 119. SINGLE-SEX SOCIAL STUDENT ORGANIZATIONS.

Part B of title I (20 U.S.C. 1011 et seq.) (as amended by sections 111 through 118 of this part) is further amended by adding at the end the following:

“SEC. 125. SINGLE-SEX SOCIAL STUDENT ORGANIZATIONS.

“(a) NON-RETALIATION AGAINST SINGLE-SEX STUDENT ORGANIZATIONS.—An institution of higher education that has a policy allowing for the official recognition of a single-sex social student organization may not—

“(1) require or coerce such a recognized organization to admit as a member an individual who does not meet the organization’s criteria for single-sex status;

“(2) require or coerce such a recognized organization to permit an individual described in paragraph (1) to participate in the activities of the organization;

“(3) take any adverse action against a student on the basis of the student’s membership in such recognized organization; or

“(4) impose any requirement or restriction, including on timing for accepting new members or membership recruitment, on such a recognized organization (or its current or prospective members) based on the organization’s single-sex status or its criteria for defining its single-sex status.

“(b) CONSTRUCTION.—Nothing in this Act shall be construed—

“(1) to create any enforceable right—

“(A) by a local, college, or university student organization against a national student organization; or

“(B) by a national student organization against any local, college, or university student organization;

“(2) to require an institution of higher education to have a policy allowing for the official recognition of a single-sex social student organization; or

“(3) to prohibit an institution of higher education from taking an adverse action against a member of a single-sex social student organization for reasons other than on the basis of such student’s membership in such organization, such as academic or non-academic misconduct.

“(c) ADVERSE ACTION.—For the purposes of this section, the term ‘adverse action’ includes the following:

“(1) Expulsion, suspension, probation, censure, condemnation, reprimand, or any other disciplinary, coercive, or adverse action taken by an institution of higher education or administrative unit of such an institution.

“(2) An oral or written warning made by an official of an institution of higher education acting in the official’s official capacity.

“(3) Denying participation in any education program or activity.

“(4) Withholding, in whole or in part, any financial assistance (including scholarships and on-campus employment), or denying the opportunity to apply for financial assistance, a scholarship, or on-campus employment.

“(5) Denying or restricting access to on-campus housing.

“(6) Denying any certification or letter of recommendation that may be required by a student’s current or future employer, a government agency, a licens-

ing board, or an educational institution or scholarship program to which the student seeks to apply.

“(7) Denying participation in any sports team, club, or other student organization, or denying any leadership position in any sports team, club, or other student organization.”.

SEC. 120. DEPARTMENT STAFF.

Part B of title I (20 U.S.C. 1011 et seq.) (as amended by sections 111 through 119 of this part) is further amended by adding at the end the following:

“SEC. 126. DEPARTMENT STAFF.

“The Secretary shall—

“(1) not later than 60 days after the date of enactment of the PROSPER Act, identify the number of Department full-time equivalent employees who worked on or administered each education program or project authorized under this Act, as such program or project was in effect on the day before such date, and publish such information on the Department’s website;

“(2) not later than 60 days after such date, identify the number of full-time equivalent employees who worked on or administered each program or project authorized under this Act, as such program or project was in effect on the day before such date, that has been eliminated or consolidated since such date;

“(3) not later than 1 year after such date, reduce the workforce of the Department by the number of full-time equivalent employees the Department identified under paragraph (2); and

“(4) not later than 1 year after such date, report to the Congress on—

“(A) the number of full-time equivalent employees associated with each program or project authorized under this Act and administered by the Department;

“(B) the number of full-time equivalent employees who were determined to be associated with eliminated or consolidated programs or projects described in paragraph (2);

“(C) how the Secretary has reduced the number of full-time equivalent employees as described in paragraph (3);

“(D) the average salary of the full-time equivalent employees described in subparagraph (B) whose positions were eliminated; and

“(E) the average salary of the full-time equivalent employees who work on or administer a program or project authorized by the Department under this Act, disaggregated by employee function within each such program or project.”.

SEC. 120A. DEPARTMENT OF HOMELAND SECURITY RECRUITING ON CAMPUS.

Part B of title I (20 U.S.C. 1011 et seq.) (as amended by sections 111 through 120 of this part) is further amended by adding at the end the following:

“SEC. 127. DEPARTMENT OF HOMELAND SECURITY RECRUITING ON CAMPUS.

“None of the funds made available under this Act may be provided to any institution of higher education that has in effect a policy or practice that either prohibits, or in effect prevents, the Secretary of Homeland Security from gaining access to campuses or access to students (who are 17 years of age or older) on campuses, for purposes of Department of Homeland Security recruiting in a manner that is at least equal in quality and scope to the access to campuses and to students that is provided to any other employer.”.

PART C—COST OF HIGHER EDUCATION

SEC. 121. COLLEGE DASHBOARD WEBSITE.

(a) ESTABLISHMENT.—Section 132 (20 U.S.C. 1015a) is amended—

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following new paragraph:

“(1) COLLEGE DASHBOARD WEBSITE.—The term ‘College Dashboard website’ means the College Dashboard website required under subsection (d).”.

(B) in paragraph (2), by striking “first-time,”;

(C) in paragraph (3), in the matter preceding subparagraph (A), by striking “first-time,”; and

(D) in paragraph (4), by striking “first-time,”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “first-time,”; and

(B) in paragraph (2), by striking “first-time,”;

(3) by striking subsections (c) through (g), (j), and (l);

(4) by redesignating subsections (h), (i), and (k) as subsections (c), (d), and (e), respectively; and

(5) by striking subsection (d) (as so redesignated) and inserting the following new subsection:

“(d) CONSUMER INFORMATION.—

“(1) AVAILABILITY OF TITLE IV INSTITUTION INFORMATION.—The Secretary shall develop and make publicly available a website to be known as the ‘College Dashboard website’ in accordance with this section and prominently display on such website, in simple, understandable, and unbiased terms for the most recent academic year for which satisfactory data are available, the following information with respect to each institution of higher education that participates in a program under title IV:

“(A) A link to the website of the institution.

“(B) An identification of the type of institution as one of the following:

“(i) A four-year public institution of higher education.

“(ii) A four-year private, nonprofit institution of higher education.

“(iii) A four-year private, proprietary institution of higher education.

“(iv) A two-year public institution of higher education.

“(v) A two-year private, nonprofit institution of higher education.

“(vi) A two-year private, proprietary institution of higher education.

“(vii) A less than two-year public institution of higher education.

“(viii) A less than two-year private, nonprofit institution of higher education.

“(ix) A less than two-year private, proprietary institution of higher education.

“(C) The number of students enrolled at the institution—

“(i) as undergraduate students, if applicable; and

“(ii) as graduate students, if applicable.

“(D) The student-faculty ratio.

“(E) The percentage of degree-seeking or certificate-seeking undergraduate students enrolled at the institution who obtain a degree or certificate within—

“(i) 100 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled;

“(ii) 150 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled;

“(iii) 200 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled; and

“(iv) 300 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled, for institutions at which the highest degree offered is predominantly an associate’s degree.

“(F)(i) The average net price per year for undergraduate students enrolled at the institution who received Federal student financial aid under title IV based on dependency status and an income category selected by the user of the College Dashboard website from a list containing the following income categories:

“(I) \$0 to \$30,000.

“(II) \$30,001 to \$48,000.

“(III) \$48,001 to \$75,000.

“(IV) \$75,001 to \$110,000.

“(V) \$110,001 to \$150,000.

“(VI) Over \$150,000.

“(ii) A link to the net price calculator for such institution.

“(G) The percentage of undergraduate and graduate students who obtained a certificate or degree from the institution who borrowed Federal student loans—

“(i) set forth separately for each educational program offered by the institution; and

“(ii) made available in a format that allows a user of the College Dashboard website to view such percentage by selecting from a list of such educational programs.

“(H) The average Federal student loan debt incurred by a student who obtained a certificate or degree in an educational program from the institution and who borrowed Federal student loans in the course of obtaining such certificate or degree—

“(i) set forth separately for each educational program offered by the institution; and

“(ii) made available in a format that allows a user of the College Dashboard website to view such student loan debt information by selecting from a list of such educational programs.

“(I) The median earnings of students who obtained a certificate or degree in an educational program from the institution and who received Federal student financial aid under title IV in the course of obtaining such certificate or degree—

“(i) in the fifth and tenth years following the year in which the students obtained such certificate or degree;

“(ii) set forth separately by educational program; and

“(iii) made available in a format that allows a user of the College Dashboard website to view such median earnings information by selecting from a list of such educational programs.

“(J) A link to the webpage of the institution containing campus safety data with respect to such institution.

“(2) ADDITIONAL INFORMATION.—The Secretary shall publish on websites that are linked to through the College Dashboard website, for the most recent academic year for which satisfactory data is available, the following information with respect to each institution of higher education that participates in a program under title IV:

“(A) ENROLLMENT.—The following enrollment information:

“(i) The percentages of male and female undergraduate students enrolled at the institution.

“(ii) The percentages of undergraduate students enrolled at the institution—

“(I) full-time; and

“(II) less than full-time.

“(iii) In the case of an institution other than an institution that provides all courses and programs through online education, of the undergraduate students enrolled at the institution—

“(I) the percentage of such students who are residents of the State in which the institution is located;

“(II) the percentage of such students who are not residents of such State; and

“(III) the percentage of such students who are international students.

“(iv) The percentages of undergraduate students enrolled at the institution, disaggregated by—

“(I) race and ethnic background;

“(II) classification as a student with a disability;

“(III) recipients of a Federal Pell Grant;

“(IV) recipients of assistance under a tuition assistance program conducted by the Department of Defense under section 1784a or 2007 of title 10, United States Code, or other authorities available to the Department of Defense or veterans’ education benefits (as defined in section 480); and

“(V) recipients of a Federal student loan.

“(B) COMPLETION.—The information required under paragraph (1)(E), disaggregated by—

“(i) recipients of a Federal Pell Grant;

“(ii) race and ethnic background;

“(iii) classification as a student with a disability;

“(iv) recipients of assistance under a tuition assistance program conducted by the Department of Defense under section 1784a or 2007 of title 10, United States Code, or other authorities available to the Department of Defense or veterans’ education benefits (as defined in section 480); and

“(v) recipients of a Federal student loan.

“(C) COSTS.—The following cost information:

“(i) The cost of attendance for full-time undergraduate students enrolled in the institution who live on campus.

“(ii) The cost of attendance for full-time undergraduate students enrolled in the institution who live off campus.

“(iii) The cost of tuition and fees for full-time undergraduate students enrolled in the institution.

“(iv) The cost of tuition and fees per credit hour or credit hour equivalency for undergraduate students enrolled in the institution less than full time.

“(v) In the case of a public institution of higher education (other than an institution described in clause (vi)) and notwithstanding subsection (b)(1), the costs described in clauses (i) and (ii) for—

“(I) full-time students enrolled in the institution who are residents of the State in which the institution is located; and

“(II) full-time students enrolled in the institution who are not residents of such State.

“(vi) In the case of a public institution of higher education that offers different tuition rates for students who are residents of a geographic subdivision smaller than a State and students not located in such geographic subdivision and notwithstanding subsection (b)(1), the costs described in clauses (i) and (ii) for—

“(I) full-time students enrolled at the institution who are residents of such geographic subdivision;

“(II) full-time students enrolled at the institution who are residents of the State in which the institution is located but not residents of such geographic subdivision; and

“(III) full-time students enrolled at the institution who are not residents of such State.

“(D) FINANCIAL AID.—The following information with respect to financial aid:

“(i) The average annual grant amount (including Federal, State, and institutional aid) awarded to an undergraduate student enrolled at the institution who receives grant aid, and the percentage of undergraduate students receiving such aid.

“(ii) The percentage of undergraduate students enrolled at the institution receiving Federal, State, and institutional grants, student loans, and any other type of student financial assistance known by the institution, provided publicly or through the institution, such as Federal work-study funds.

“(iii) The loan repayment rate (as defined in section 481B) for each educational program at such institution.

“(3) OTHER DATA MATTERS.—

“(A) COMPLETION DATA.—The Commissioner of Education Statistics shall ensure that the information required under paragraph (1)(E) includes information with respect to all students at an institution, in a manner that accurately reflects the actual length of the program, including students other than first-time, full-time students and students who transfer to another institution, in a manner that the Commissioner considers appropriate.

“(B) ADJUSTMENT OF INCOME CATEGORIES.—The Secretary may annually adjust the range of each of the income categories described in paragraph (1)(F) to account for a change in the Consumer Price Index for All Urban Consumers as determined by the Bureau of Labor Statistics if the Secretary determines an adjustment is necessary.

“(4) INSTITUTIONAL COMPARISON.—The Secretary shall include on the College Dashboard website a method for users to easily compare the information required under paragraphs (1) and (2) between institutions.

“(5) UPDATES.—

“(A) DATA.—The Secretary shall update the College Dashboard website not less than annually.

“(B) TECHNOLOGY AND FORMAT.—The Secretary shall regularly assess the format and technology of the College Dashboard website and make any changes or updates that the Secretary considers appropriate.

“(6) CONSUMER TESTING.—

“(A) IN GENERAL.—In developing and maintaining the College Dashboard website, the Secretary, in consultation with appropriate departments and agencies of the Federal Government, shall conduct consumer testing with appropriate persons, including current and prospective college students, family members of such students, institutions of higher education, and experts, to ensure that the College Dashboard website is usable and easily understandable and provides useful and relevant information to students and families.

“(B) RECOMMENDATIONS FOR CHANGES.—The Secretary shall submit to the authorizing committees any recommendations that the Secretary considers appropriate for changing the information required to be provided on the College Dashboard website under paragraphs (1) and (2) based on the results of the consumer testing conducted under subparagraph (A).

“(7) PROVISION OF APPROPRIATE LINKS TO PROSPECTIVE STUDENTS AFTER SUBMISSION OF FAFSA.—The Secretary shall provide to each student who submits

a Free Application for Federal Student Aid described in section 483 a link to the webpage of the College Dashboard website that contains the information required under paragraph (1) for each institution of higher education such student includes on such Application.

“(8) INTERAGENCY COORDINATION.—The Secretary, in consultation with each appropriate head of a department or agency of the Federal Government, shall ensure to the greatest extent practicable that any information related to higher education that is published by such department or agency is consistent with the information published on the College Dashboard website.

“(9) DATA COLLECTION.—The Commissioner for Education Statistics shall continue to update and improve the Integrated Postsecondary Education Data System, including by reducing institutional reporting burden and improving the timeliness of the data collected.

“(10) DATA PRIVACY.—The Secretary shall ensure any information made available under this section is made available in accordance with section 444 of the General Education Provisions Act (commonly known as the ‘Family Educational Rights and Privacy Act of 1974’).”

(b) CONFORMING AMENDMENTS.—The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), as amended by subsection (a) of this section, is further amended, by striking “College Navigator” each place it appears and inserting “College Dashboard”.

(c) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, or other paper of the United States to the College Navigator website shall be considered to be a reference to the College Dashboard website.

(d) DEVELOPMENT.—The Secretary of Education shall develop and publish the College Dashboard website required under section 132 (20 U.S.C. 1015a), as amended by this section, not later than one year after the date of the enactment of this Act.

(e) COLLEGE NAVIGATOR WEBSITE MAINTENANCE.—The Secretary shall maintain the College Navigator website required under section 132 (20 U.S.C. 1015a), as in effect the day before the date of the enactment of this Act, in the manner required under the Higher Education Act of 1965, as in effect on such day, until the College Dashboard website referred to in subsection (d) is complete and publicly available on the Internet.

SEC. 122. NET PRICE CALCULATORS.

Subsection (c) of section 132 (20 U.S.C. 1015a), as so redesignated by section 121(a)(4) of this Act, is amended—

(1) by redesignating paragraph (4) as paragraph (6); and

(2) by inserting after paragraph (3) the following new paragraphs:

“(4) MINIMUM REQUIREMENTS FOR NET PRICE CALCULATORS.—Not later than 1 year after the date of the enactment of the PROSPER Act, a net price calculator for an institution of higher education shall meet the following requirements:

“(A) The link for the calculator shall—

“(i) be clearly labeled as a net price calculator and prominently, clearly, and conspicuously posted in locations on the website of such institution where information on costs and aid is provided and any other location that the institution considers appropriate; and

“(ii) match in size and font to the other prominent links on the webpage where the link for the calculator is displayed.

“(B) The webpage displaying the results for the calculator shall specify at least the following information:

“(i) The net price (as calculated under subsection (a)(3)) for such institution, which shall be the most visually prominent figure on the results screen.

“(ii) Cost of attendance, including—

“(I) tuition and fees;

“(II) average annual cost of room and board for the institution for a full-time undergraduate student enrolled in the institution;

“(III) average annual cost of books and supplies for a full-time undergraduate student enrolled in the institution; and

“(IV) estimated cost of other expenses (including personal expenses and transportation) for a full-time undergraduate student enrolled in the institution.

“(iii) Estimated total need-based grant aid and merit-based grant aid from Federal, State, and institutional sources that may be available to a full-time undergraduate student.

“(iv) Percentage of the full-time undergraduate students enrolled in the institution that received any type of grant aid described in clause (iii).

“(v) The disclaimer described in paragraph (6).

“(vi) In the case of a calculator that—

“(I) includes questions to estimate the eligibility of a student or prospective student for veterans’ education benefits (as defined in section 480) or educational benefits for active duty service members, such benefits are displayed on the results screen in a manner that clearly distinguishes such benefits from the grant aid described in clause (ii); or

“(II) does not include questions to estimate eligibility for the benefits described in subclause (I), the results screen indicates that certain students (or prospective students) may qualify for such benefits and includes a link to information about such benefits.

“(C) The institution shall populate the calculator with data from an academic year that is not more than 2 academic years prior to the most recent academic year.

“(5) PROHIBITION ON USE OF DATA COLLECTED BY THE NET PRICE CALCULATOR.—A net price calculator for an institution of higher education shall—

“(A) clearly indicate which questions are required to be completed for an estimate of the net price from the calculator;

“(B) in the case of a calculator that requests contact information from users, clearly mark such requests as optional and provide for an estimate of the net price from the calculator without requiring users to enter such information; and

“(C) prohibit any personally identifiable information provided by users from being sold or made available to third parties.”

SEC. 123. TEXT BOOK INFORMATION.

Section 133(b)(5) (20 U.S.C. 1015b(b)(5)) is amended by striking “section 102” and inserting “section 101 or 102”.

SEC. 124. REVIEW OF CURRENT DATA COLLECTION AND FEASIBILITY STUDY OF IMPROVED DATA COLLECTION.

Part C of title I (20 U.S.C. 1015 et seq.) is amended by adding at the end the following:

“SEC. 138. REVIEW OF CURRENT DATA COLLECTION AND FEASIBILITY STUDY OF IMPROVED DATA COLLECTION.

“(a) IN GENERAL.—Not later than 2 years after the date of the enactment of the PROSPER Act, the Secretary shall, in order to help improve the information available to students and families and to eliminate significant and burdensome data collection requirements placed on institutions under this Act—

“(1) complete a review of all data reporting requirements on institutions under this Act;

“(2) determine which requirements are duplicative or no longer necessary to provide meaningful information for compliance, accountability, or transparency in decision making; and

“(3) examine the best way to collect data that includes all students from institutions that will—

“(A) eliminate or reduce the burden and duplication of data reporting; and

“(B) capture the data necessary to ensure compliance, accountability, and transparency in decision making which shall include, at a minimum—

“(i) enrollment;

“(ii) retention;

“(iii) transfer;

“(iv) completion; and

“(v) post-collegiate earnings; and

“(4) implement the changes necessary to improve the data reporting process for institutions, and submit a report to the authorizing committees on any legislative changes necessary to make such improvements.

“(b) CONSULTATION.—In conducting the review under subsection (a)(1), the Secretary shall consult with—

“(1) all applicable offices within the Department to ensure the review captures all data reporting requirements under this Act; and

“(2) relevant stakeholders, including students, parents, institutions of higher education, and privacy experts.

“(c) DATA COLLECTION AND REPORTING.—In examining the best way to collect data under subsection (a)(3), the Secretary shall explore the feasibility of working with the National Student Clearinghouse to establish a third-party method to collect and produce institution and program-level analysis of the data determined necessary to

report, and how such data reported to the clearinghouse could be secured, while considering the following:

“(1) Whether data reported to the clearinghouse can accurately reflect institutional and program-level enrollment, retention, transfer, and completion rates.

“(2) How much duplication of reporting can be eliminated and if such reporting can replace the reporting to the Integrated Postsecondary Education Data System (IPEDS), including whether the data quality will be maintained or improved from the current data provided to the Department through IPEDS.

“(3) Whether such reporting to the clearinghouse can protect the confidentiality of the reported data, while providing more accurate institutional performance measures.

“(4) Whether such reporting can be made compatible with systems that include post-graduation outcomes including employment and earnings data.

“(5) Whether the use of the clearinghouse for such data reporting will change the current interaction between institutions and the clearinghouse.

“(6) Whether the clearinghouse can meet the requirements of such reporting without transferring any disaggregated data that would be personally identifiable to the Department of Education.

“(7) Whether the clearinghouse can ensure the Department of Education would never have access to any health data, student discipline records or data, elementary and secondary education data, or information relating to citizenship or national origin status, course grades, individual postsecondary entrance examination results, political affiliation, or religion, as a result of producing information for program level analysis of the data received from institutions of higher education.

“(8) Whether the clearinghouse can provide the analysis under this subsection without maintaining or transferring, publishing, or submitting any data containing the information described in paragraph (7) to any entity, including any Federal or State agency.

“(d) INTERIM REPORT.—Not later than 1 year after the date of the enactment of the PROSPER Act, the Secretary shall submit to the authorizing committees a report on the Secretary’s progress in carrying out this section.

“(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to authorize the development of a nationwide database of personally identifiable information on individuals involved in studies or other collections of data under this Act.”.

PART D—ADMINISTRATIVE PROVISIONS FOR DELIVERY OF STUDENT FINANCIAL ASSISTANCE

SEC. 131. PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF FEDERAL STUDENT FINANCIAL ASSISTANCE.

Section 141 (20 U.S.C. 1018) is amended—

(1) in subsection (a)(2)—

(A) by redesignating subparagraphs (F) and (G) as subparagraphs (H) and (I), respectively; and

(B) by inserting after subparagraph (E) the following:

“(F) to maximize transparency in the operation of Federal student financial assistance programs;

“(G) to maximize stakeholder engagement in the operation of and accountability for such programs.”;

(2) in subsection (b)—

(A) in paragraph (1)(C)—

(i) in clause (i), by striking “and” at the end;

(ii) in clause (ii), by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following:

“(iii) acquiring senior managers and other personnel with demonstrated management ability and expertise in consumer lending.”;

(B) in paragraph (2) by adding at the end the following:

“(C) Collecting input from stakeholders on the operation of all Federal student assistance programs and accountability practices relating to such programs, and ensuring that such input informs operation of the PBO and is provided to the Secretary to inform policy creation related to Federal student financial assistance programs.”; and

(C) in paragraph (6)—

(i) in subparagraph (A), by striking “The Secretary” and inserting “Not less frequently than once annually, the Secretary”;

(ii) by redesignating subparagraph (B) as subparagraph (C); and

- (iii) by inserting after subparagraph (A) the following:
 - “(B) REPORT.—On an annual basis, after carrying out the consultation required under subparagraph (A), the Secretary and the Chief Operating Officer shall jointly submit to the authorizing committees a report that includes—
 - “(i) a summary of the consultation; and
 - “(ii) a description of any actions taken as a result of the consultation.”
- (3) in subsection (c)—
 - (A) in paragraph (1)—
 - (i) in subparagraph (A)—
 - (I) by striking “Each year,” and inserting “Not less frequently than once every three years,”; and
 - (II) by striking “succeeding 5” and inserting “succeeding 3”;
 - (ii) by amending subparagraph (B) to read as follows:
 - “(B) CONSULTATION.—
 - “(i) PLAN DEVELOPMENT.—Beginning not later than 12 months before issuing each 3-year performance plan under subparagraph (A), the Secretary and the Chief Operating Officer shall consult with students, institutions of higher education, Congress, lenders, and other interested parties regarding the development of the plan. In carrying out such consultation, the Secretary shall seek public comment consistent with the requirements of subchapter II of chapter 5 of title 5, United States Code (commonly known as the ‘Administrative Procedure Act’).
 - “(ii) REVISION.—Not later than 90 days before implementing any revision to the performance plan described in subparagraph (A), the Secretary shall consult with students, institutions of higher education, Congress, lenders, and other interested parties regarding such revision.”;
 - (iii) in subparagraph (C)—
 - (I) in the matter preceding clause (i), by inserting “and target dates upon which such action steps will be taken and such goals will be achieved” after “achieve such goals”;
 - (II) by redesignating clause (v) as clause (vi);
 - (III) by inserting after clause (iv) the following:
 - “(v) ENSURING TRANSPARENCY.—Maximizing the transparency in the operations of the PBO, including complying with the data reporting requirements under section 144.”;
 - (B) in paragraph (2)—
 - (i) by striking “5-year” and inserting “3-year”;
 - (ii) in subparagraph (C), by inserting “, including an explanation of the specific steps the Secretary and the Chief Operating Officer will take to address any such goals that were not achieved” before the period;
 - (iii) in subparagraph (D), by inserting “, in the aggregate and per individual” before the period;
 - (iv) in subparagraph (E), by striking “Recommendations” and inserting “Specific recommendations”;
 - (v) by redesignating subparagraph (F) as subparagraph (G); and
 - (vi) by inserting after subparagraph (E), the following:
 - “(F) A description of the performance evaluation system developed under subsection (d)(6).”
 - (C) in paragraph (3)—
 - (i) in the matter preceding subparagraph (A), by striking “establish appropriate means to”;
 - (ii) in subparagraph (A), by striking “; and” and inserting “and the PBO”;
 - (iii) in subparagraph (B), by striking the period at the end and inserting “and the PBO; and”; and
 - (iv) by adding at the end the following:
 - “(C) through a nationally-representative survey, that at a minimum shall evaluate the degree of satisfaction with the delivery system and the PBO.”;
 - (4) in subsection (d)—
 - (A) in paragraph (2), by striking “The Secretary may reappoint” and inserting “Except as provided in paragraph (4)(C),”
 - (B) in paragraph (4)—
 - (i) in subparagraph (A)—
 - (I) by inserting “specific,” after “set forth”; and

- (II) by inserting “and metrics used to measure progress toward such goals” before the period;
- (ii) by amending subparagraph (B) to read as follows:
- “(B) TRANSMITTAL AND PUBLIC AVAILABILITY.—The Secretary shall—
- “(i) transmit to the authorizing committees the final version of, and any subsequent revisions to, the agreement entered into under subparagraph (A); and
- “(ii) before the expiration of the period of 5 business days beginning after the date on which the agreement is transmitted under clause (i), make such agreement publicly available on a publicly accessible website of the Department of Education.”.
- (iii) by adding at the end the following:
- “(C) LOSS OF ELIGIBILITY.—If the agreement under subparagraph (A) is not made publicly available before the expiration of the period described in subparagraph (B)(ii), the Chief Operating Officer shall not be eligible for reappointment under paragraph (2).”; and
- (C) in paragraph (5), by amending subparagraph (B) to read as follows:
- “(B) BONUS.—In addition, the Chief Operating Officer may receive a bonus in the following amounts:
- “(i) For a period covered by a performance agreement entered into under paragraph (4) before the date of the enactment of the PROSPER Act, an amount that does not exceed 50 percent of the annual rate basic pay of the Chief Operating Officer, based upon the Secretary’s evaluation of the Chief Operating Officer’s performance in relation to the goals set forth in the performance agreement.
- “(ii) For a period covered by a performance agreement entered into under paragraph (4) on or after the date of the enactment of the PROSPER Act, an amount that does not exceed 40 percent of the annual rate basic pay of the Chief Operating Officer, based upon the Secretary’s evaluation of the Chief Operating Officer’s performance in relation to the goals set forth in the performance agreement.”.
- (D) by adding at the end the following:
- “(6) PERFORMANCE EVALUATION SYSTEM.—The Secretary shall develop a system to evaluate the performance of the Chief Operating Officer and any senior managers appointed by such Officer under subsection (e). Such system shall—
- “(A) take into account the extent to which each individual attains the specific, measurable organizational and individual goals set forth in the performance agreement described in paragraph (4)(A) and subsection (e)(2) (as the case may be); and
- “(B) evaluate each individual using a rating system that accounts for the full spectrum of performance levels, from the failure of an individual to meet the goals described in clause (i) to an individual’s success in meeting or exceeding such goals.”;
- (5) in subsection (e)—
- (A) in paragraph (2), by striking “organization and individual goals” and inserting “specific, measurable organization and individual goals and the metrics used to measure progress toward such goals”;
- (B) in paragraph (3), by amending subparagraph (B) to read as follows:
- “(B) BONUS.—In addition, a senior manager may receive a bonus in the following amounts:
- “(i) For a period covered by a performance agreement entered into under paragraph (2) before the date of the enactment of the PROSPER Act, an amount such that the manager’s total annual compensation does not exceed 125 percent of the maximum rate of basic pay for the Senior Executive Service, including any applicable locality-based comparability payment, based upon the Chief Operating Officer’s evaluation of the manager’s performance in relation to the goals set forth in the performance agreement.
- “(ii) For a period covered by a performance agreement entered into under paragraph (2) on or after the date of the enactment of the PROSPER Act, an amount such that the manager’s total annual compensation does not exceed 120 percent of the maximum rate of basic pay for the Senior Executive Service, including any applicable locality-based comparability payment, based upon the Chief Operating Officer’s evaluation of the manager’s performance in relation to the goals set forth in the performance agreement.”.
- (6) by redesignating subsections (f), (g), (h), and (i) as subsections (g), (h), (i), (j); and
- (7) by inserting after subsection (e) the following:

“(f) ADVISORY BOARD.—

“(1) ESTABLISHMENT AND PURPOSE.—Not later than one year after the date of the enactment of the PROSPER Act, the Secretary shall establish an Advisory Board (referred to in this subsection as the ‘Board’) for the PBO. The purpose of such Board shall be to conduct oversight over the PBO and the Chief Operating Officer and senior managers described under subsection (e) to ensure that the PBO is meeting the purposes described in this section and the goals in the performance plan described under such section.

“(2) MEMBERSHIP.—

“(A) BOARD MEMBERS.—The Board shall consist of 7 members, one of whom shall be the Secretary.

“(B) CHAIRMAN.—A Chairman of the Board shall be elected by the Board from among its members for a 2-year term.

“(C) SECRETARY AS AN EX OFFICIO MEMBER.—The Secretary, ex officio—

“(i) shall—

“(I) serve as a member of the Board;

“(II) be a voting member of the Board; and

“(III) be eligible to be elected by the Board to serve as chairman or vice chairman of the Board; and

“(ii) shall not be subject to the terms or compensation requirements described in this paragraph that are applicable to the other members of the Board.

“(D) ADDITIONAL BOARD MEMBERS.—Each member of the Board (excluding the Secretary) shall be appointed by the Secretary.

“(E) TERMS.—

“(i) IN GENERAL.—Each Board member, except for the Secretary and the Board members described in clause (ii)(II), shall serve 5-year terms.

“(ii) INITIAL MEMBERS.—

“(I) FIRST 3 MEMBERS.—The first 3 members confirmed to serve on the Board after the date of enactment of the PROSPER Act shall serve for 5-year terms.

“(II) OTHER MEMBERS.—The fourth, fifth, and sixth members confirmed to serve on the Board after such date of enactment shall serve for 3-year terms.

“(iii) REAPPOINTMENT.—The Secretary may reappoint a Board member for one additional 5-year term.

“(iv) VACANCIES.—

“(I) IN GENERAL.—Not later than 30 days after a vacancy of the Board occurs, the Secretary shall publish a Federal Register notice soliciting nominations for the position.

“(II) FILLING VACANCY.—Not later than 90 days after such vacancy occurs, such vacancy shall be filled in the same manner as the original appointment was made, except that—

“(aa) the appointment shall be for the remainder of the uncompleted term; and

“(bb) such member may be reappointed under clause (iii).

“(F) MEMBERSHIP QUALIFICATIONS AND PROHIBITIONS.—

“(i) QUALIFICATIONS.—The members of the board, other than the Secretary, shall be appointed without regard to political affiliation and solely on the basis of their professional experience and expertise in—

“(I) the management of large and financially significant organizations, including banks and commercial lending companies; or

“(II) Federal student financial assistance programs.

“(ii) CONFLICTS OF INTEREST AMONG BOARD MEMBERS.—Before appointing members of the Board, the Secretary shall establish rules and procedures to address any potential conflict of interest between a member of the Board and responsibilities of the Board, including prohibiting membership for individuals with a pecuniary interest in the activities of the PBO.

“(G) NO COMPENSATION.—Board members shall serve without pay.

“(H) EXPENSES OF BOARD MEMBERS.—Each member of the Board shall receive travel expenses and other permissible expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under title 5, United States Code.

“(3) BOARD RESPONSIBILITIES.—The Board shall have the following responsibilities:

“(A) Conducting general oversight over the functioning and operation of the PBO, including—

“(i) ensuring that the reporting and planning requirements of this section are fulfilled by the PBO; and

“(ii) ensuring that the Chief Operating Officer acquires senior managers with demonstrated management ability and expertise in consumer lending (as described in subsection (b)(1)(C)(iii)).

“(B) Approving the appointment or reappointment of a Chief Operating Officer, except that the board shall have no authority to approve or disapprove the reappointment of the Chief Operating Officer who holds such position on the date of enactment of the PROSPER Act.

“(C) Making recommendations with respect to the suitability of any bonuses proposed to be provided to the Chief Operating Officer or senior managers described under subsections (d) and (e), to ensure that a bonus is not awarded to the Officer or a senior manager in a case in which such Officer or manager has failed to meet goals set for them under the relevant performance plan under subsections (d)(4) and (e)(2), respectively.

“(D) Approving any performance plan established for the PBO.

“(4) BOARD OPERATIONS.—

“(A) MEETINGS.—The Board shall meet at least twice per year and at such other times as the chairperson determines appropriate.

“(B) POWERS OF CHAIRPERSON.—Except as otherwise provided by a majority vote of the Board, the powers of the chairperson shall include—

“(i) establishing committees;

“(ii) setting meeting places and times;

“(iii) establishing meeting agendas; and

“(iv) developing rules for the conduct of business.

“(C) QUORUM.—Four members of the Board shall constitute a quorum. A majority of members present and voting shall be required for the Board to take action.

“(D) ADMINISTRATION.—The Federal Advisory Committee Act shall not apply with respect to the Board, other than sections 10, 11 and 12 of such Act.

“(5) ANNUAL REPORT.—

“(A) IN GENERAL.—Not less frequently than once annually, the Board shall submit to the authorizing committees a report on the results of the work conducted by the PBO.

“(B) CONTENTS.—Each report under clause (i) shall include—

“(i) a description of the oversight work of the Board and the results of such work;

“(ii) a description of statutory requirements of this section and section 144 where the PBO is not in compliance;

“(iii) recommendations on the appointment or reappointment of a Chief Operating Officer;

“(iv) recommendations regarding bonus payments for the Chief Operating Officer and senior managers; and

“(v) recommendations for the authorizing Committees and the Appropriations Committees on—

“(I) any statutory changes needed that would enhance the ability of the PBO to meet the purposes of this section; and

“(II) any recommendations for the Secretary or the Chief Operating Officer that will improve the operations of the PBO.

“(vi) ISSUANCE AND PUBLIC RELEASE.—Each report under clause (i) shall be posted on the publicly accessible website of the Department of Education.

“(vii) PBO RECOMMENDATIONS.—Not later than 180 days after the submission of each report under clause (i), the Chief Operating Officer shall respond to each recommendation individually, which shall include a description of such actions that the Officer is undertaking to address such recommendation.

“(C) STAFF.—

“(i) IN GENERAL.—The Secretary may appoint to the Board not more than 7 employees to assist in carrying out the duties of the Board under this section.

“(ii) TECHNICAL EMPLOYEES.—Such appointments may include, for terms not to exceed 3 years and without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, not more than 3 technical employees who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates,

but no individual so appointed shall be paid in excess of the rate authorized for GS-18 of the General Schedule.

“(iii) DETAILEES.—The Secretary may detail, on a reimbursable basis, any of the personnel of the Department for the purposes described in clause (i). Such employees shall serve without additional pay, allowances, or benefits.

“(iv) STATUTORY CONSTRUCTION.—Nothing in this subparagraph shall be construed to provide for an increase in the total number of permanent full-time equivalent positions in the Department or any other department or agency of the Federal Government.

“(6) BRIEFING ON ACTIVITIES OF THE OVERSIGHT BOARD.—The Secretary shall, upon request, provide a briefing to the authorizing committees on the steps the Board has taken to carry out its responsibilities under this subsection.”.

SEC. 132. ADMINISTRATIVE DATA TRANSPARENCY.

Part D of title I (20 U.S.C. 1018 et seq.) is amended by adding at the end the following:

“SEC. 144. ADMINISTRATIVE DATA TRANSPARENCY.

“(a) IN GENERAL.—To improve the transparency of the student aid delivery system, the Secretary and the Chief Operating Officer shall collect and publish information on the performance of student loan programs under title IV in accordance with this section.

“(b) DISCLOSURES.—

“(1) IN GENERAL.—The Secretary and the Chief Operating Officer shall publish on a publicly accessible website of the Department of Education the following aggregate statistics with respect to the performance of student loans under title IV:

“(A) The number of borrowers who paid off the total outstanding balance of principal and interest on their loans before the end of the 10-year or consolidated loan repayment schedule.

“(B) The number of loans under each type of deferment and forbearance.

“(C) The average length of time a loan stays in default.

“(D) The percentage of loans in default among borrowers who completed the program of study for which the loans were made.

“(E) The number of borrowers enrolled in an income-based repayment plan who make monthly payments of \$0 and the average student loan debt of such borrowers.

“(F) The number of students whose loan balances are growing because such students are not paying the full amount of interest accruing on the loans.

“(G) The number of borrowers entering income-based repayment plans to get out of default.

“(H) The number of borrowers in income-based repayment plans who have outstanding student loans from graduate school, and the average balance of such loans.

“(I) With respect to the public service loan forgiveness program under section 455(m)—

“(i) the number of applications submitted and processed;

“(ii) the number of borrowers granted loan forgiveness;

“(iii) the amount of loan debt forgiven; and

“(iv) the number of borrowers granted loan forgiveness, and the amount of the loan debt forgiven, disaggregated by each category of employer that employs individuals in public service jobs (as defined in section 455(m)(3)(B)), including—

“(I) the Federal Government, or a State or local government;

“(II) an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; and

“(III) a non-profit organization not described in subclause (II).

“(J) Any other aggregate statistics the Secretary and the Chief Operating Officer determine to be necessary to adequately inform the public of the performance of the student loan programs under title IV.

“(2) DISAGGREGATION.—The statistics described in clauses (i) through (iii) of paragraph (1)(I) shall be disaggregated—

“(A) by the number or amount for most recent quarter;

“(B) by the total number or amount as of the date of publication;

“(C) by repayment plan;

“(D) by borrowers seeking loan forgiveness for loans made for an undergraduate course of study; and

“(E) by borrowers seeking loan forgiveness for loans made for a graduate course of study.

“(3) QUARTERLY UPDATES.—The statistics published under paragraph (1) shall be updated not less frequently than once each fiscal quarter.

“(c) INFORMATION COLLECTION.—

“(1) IN GENERAL.—The Secretary and the Chief Operating Officer shall collect information on the performance of student loans under title IV over time, including—

“(A) measurement of the cash flow generated by such loans as determined by assessing monthly payments on the loans over time;

“(B) the income level and employment status of borrowers during repayment;

“(C) the loan repayment history of borrowers prior to default;

“(D) the progress of borrowers in making monthly payments on loans after defaulting on the loans; and

“(E) such other information as the Secretary and the Chief Operating Officer determine to be appropriate.

“(2) AVAILABILITY.—

“(A) IN GENERAL.—The information collected under paragraph (1) shall be made available biannually to organizations and researchers that—

“(i) submit to the Secretary and the Chief Operating officer a request for such information; and

“(ii) enter into an agreement with the National Center for Education Statistics under which the organization or researcher (as the case may be) agrees to use the information in accordance with the privacy laws described in subparagraph (B).

“(B) PRIVACY PROTECTIONS.—The privacy laws described in this subparagraph are the following:

“(i) Section 183 of the Education Sciences Reform Act of 2002 (20 U.S.C. 9573).

“(ii) The Privacy Act of 1974 (5 U.S.C. 552a).

“(iii) Section 444 of the General Education Provisions Act (commonly known as the ‘Family Educational Rights and Privacy Act of 1974’) (20 U.S.C. 1232g).

“(iv) Subtitle A of title V of the E–Government Act of 2002 (44 U.S.C. 3501 note).

“(C) FORMAT.—The information described in subparagraph (A) shall be made available in the format of a data file that contains an statistically accurate, representative sample of all borrowers of loans under title IV.

“(d) DATA SHARING.—The Secretary and the Chief Operating Officer may enter into cooperative data sharing agreements with other Federal or State agencies to ensure the accuracy of information collected and published under this section.

“(e) PRIVACY.—The Secretary and the Chief Operating Officer shall ensure that any information collected, published, or otherwise made available under this section does not reveal personally identifiable information.”

SEC. 133. REPORT BY GAO ON TRANSFER OF FUNCTIONS OF THE OFFICE OF FEDERAL STUDENT AID TO THE DEPARTMENT OF TREASURY.

(a) STUDY.—The Comptroller General of the United States shall conduct a study on the impact of transferring the functions, in whole or in part, of the Office of Federal Student Aid from the Department of Education to the Department of the Treasury, which shall include—

(1) the potential impact of such transfer on the Federal government, including—

(A) any change in cost of administering the program; and

(B) the duplication of duties by Federal agencies;

(2) an analysis of how the responsibilities and operations of the Office of Federal Student Aid of the Department of Education overlaps with relevant responsibilities and operations at the Department of Treasury;

(3) an analysis of whether the employees of the Department of Treasury possess the necessary expertise and experience to manage and oversee the functions of the Office of Federal Student Aid of the Department of Education; and

(4) the potential impact of such transfer on administrative costs and staff necessary for carrying out such functions.

(b) CONSULTATION.—In conducting the study under subsection (a), the Comptroller General of the United States shall consult with stakeholders, including institutions of higher education, financial aid administrators, and existing entities that contract with the Office of Federal Student Aid of the Department of Education, that may be impacted by the transfer studied under such subsection.

(c) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General of the United States shall complete the study under subsection (a) and submit a report to the House Committee on Education and the Workforce and the Senate Committee on Health, Education, Labor, and Pensions that includes the results of such study.

PART E—LENDER AND INSTITUTION REQUIREMENTS RELATING TO EDUCATION LOANS

SEC. 141. MODIFICATION OF PREFERRED LENDER ARRANGEMENTS.

- (a) IN GENERAL.—Part E of title I (20 U.S.C. 1019 et seq.) is amended—
- (1) in section 151 (20 U.S.C. 1019(2))—
 - (A) in paragraph (2), by striking “section 102” and inserting “section 101 or 102”;
 - (B) in paragraph (3)—
 - (i) by striking “or” at the end of subparagraph (B);
 - (ii) by redesignating subparagraph (C) as subparagraph (D); and
 - (iii) by inserting after subparagraph (B), the following:

“(C) any loan made under part E of title IV after the date of enactment of the PROSPER Act; or”;
 - (C) in paragraph (6)(A)—
 - (i) by striking “and” at the end of clause (ii);
 - (ii) by redesignating clause (iii) as clause (iv); and
 - (iii) by inserting after clause (ii), the following:

“(iii) in the case of a loan issued or provided to a student under part E of title IV on or after the date of enactment of the PROSPER Act;”;
 - (D) in paragraph (8)(B)—
 - (i) by striking “or” at the end of clause (i);
 - (ii) by redesignating clause (ii) as clause (iii); and
 - (iii) by inserting after clause (i), the following:

“(ii) arrangements or agreements with respect to loans under part E of title IV; or”;
 - (2) in section 152 (20 U.S.C. 1019)—
 - (A) in subsection (a)(1)—
 - (i) in subparagraph (B), by amending clause (i) to read as follows:

“(i) make available to the prospective borrower on a website or with informational material, the information the Board of Governors of the Federal Reserve System requires the lender to provide to the covered institution under section 128(e)(11) of the Truth in Lending Act (15 U.S.C. 1638(e)(11)) for such loan;”;
 - (ii) by adding at the end the following:

“(D) SPECIAL RULE.—Notwithstanding any other provision of law, a covered institution, or an institution-affiliated organization of such covered institution, shall not be required to provide any information regarding private education loans to prospective borrowers except for the information described in subparagraph (B).”;
 - (B) in subsection (b)(1)(A)(i), by striking “part B or D” and inserting “part B, D, or E”;
 - (3) in section 153 (20 U.S.C. 1019b)—
 - (A) in subsection (a)—
 - (i) in paragraph (1)(B)—
 - (I) in clause (i), by adding “and” at the end;
 - (II) in clause (ii), by striking “; and” at the end and inserting a period; and
 - (III) by striking clause (iii); and
 - (ii) in paragraph (2), by amending subparagraph (C) to read as follows:

“(C) update such model disclosure form not later than 180 after the date of enactment of the PROSPER Act, and periodically thereafter, as necessary.”;
 - (B) by amending subsection (c) to read as follows:

“(c) DUTIES OF COVERED INSTITUTIONS AND INSTITUTION-AFFILIATED ORGANIZATIONS.—

 - (1) CODE OF CONDUCT.—Each covered institution, and each institution-affiliated organization of such covered institution, that has a preferred lender arrangement, shall comply with the code of conduct requirements of subparagraphs (A) through (C) of section 487(a)(23).

“(2) APPLICABLE CODE OF CONDUCT.—For purposes of subparagraph (A), an institution-affiliated organization of a covered institution shall—

“(A) comply with the code of conduct developed and published by such covered institution under subparagraphs (A) and (B) of section 487(a)(23);

“(B) if such institution-affiliated organization has a website, publish such code of conduct prominently on the website; and

“(C) administer and enforce such code of conduct by, at a minimum, requiring that all of such organization’s agents with responsibilities with respect to education loans be annually informed of the provisions of such code of conduct.”; and

(4) in section 154 (20 U.S.C. 1019c)—

(A) in the section heading, by inserting before the period at the end the following: “**OR THE FEDERAL ONE LOAN PROGRAM**”;

(B) by striking “William D. Ford Direct Loan Program” each place it appears and inserting “William D. Ford Direct Loan Program or the Federal ONE Loan Program”

(C) by striking “part D” each place it appears and inserting “part D or E”; and

(D) in subsection (a)—

(i) by striking “the development” and inserting “the first update”;

(ii) by striking “section 153(a)(2)(B)” and inserting “section 153(a)(2)(C)”;

(iii) by striking “Federal Direct Stafford Loans, Federal Direct Unsubsidized Stafford Loans, and Federal Direct PLUS” and inserting “undergraduate, graduate, and parent”.

(b) LIMITATION.—The Secretary of Education shall not impose, administer, or enforce any requirements on a covered institution or an institution-affiliated organization of a covered institution relating to preferred lender lists or arrangements unless explicitly authorized by sections 152(a)(1)(B), 153(c), or 487(h)(1) of the Higher Education Act of 1965 (20 U.S.C. 1019a(a)(1)(B), 1019b(c), or 1094(h), respectively) as amended by this Act.

PART F—ADDRESSING SEXUAL ASSAULT

SEC. 151. ADDRESSING SEXUAL ASSAULT.

Title I (20 U.S.C. 1001 et seq.) is amended by adding at the end the following new part:

“PART F—ADDRESSING SEXUAL ASSAULT

“SEC. 161. APPLICATION.

“The requirements of this part shall apply to any institution of higher education receiving Federal financial assistance under this Act, including financial assistance provided to students under title IV, other than—

“(1) an institution outside the United States; or

“(2) an institution that provides instruction primarily through online courses.

“SEC. 162. CAMPUS CLIMATE SURVEYS.

“(a) SURVEYS TO MEASURE CAMPUS ATTITUDES AND CLIMATE REGARDING SEXUAL ASSAULT AND MISCONDUCT ON CAMPUS.—Each institution of higher education that is subject to this part shall conduct surveys of its students to measure campus attitudes towards sexual assault and the general climate of the campus regarding the institution’s treatment of sexual assault on campus, and shall use the results of the survey to improve the institution’s ability to prevent and respond appropriately to incidents of sexual assault.

“(b) CONTENTS.—The institution’s survey under this section shall consist of such questions as the institution considers appropriate, which may (at the option of the institution) include any of the following:

“(1) Questions on the incidence and prevalence of sexual assault experienced by students.

“(2) Questions on whether students who experience sexual assault report such incidents to campus officials or law enforcement agencies.

“(3) Questions on whether the alleged perpetrators are students of the institution.

“(4) Questions to test the students’ knowledge and understanding of institutional policies regarding sexual assault and available campus support services for victims of sexual assault.

“(5) Questions to test the students’ knowledge, understanding, and retention of campus sexual assault prevention and awareness programming.

“(6) Questions related to dating violence, domestic violence, and stalking.

“(c) OTHER ISSUES RELATING TO THE ADMINISTRATION OF SURVEYS.—

“(1) MANDATORY CONFIDENTIALITY OF RESPONSES.—The institution shall ensure that all responses to surveys under this section are kept confidential and do not require the respondents to provide personally identifiable information.

“(2) ENCOURAGING USE OF BEST PRACTICES AND APPROPRIATE LANGUAGE.—The institution is encouraged to administer the surveys under this section in accordance with best practices derived from peer-reviewed research, and to use language that is sensitive to potential respondents who may have been victims of sexual assault.

“(3) ENCOURAGING RESPONSES.—The institution shall make a good faith effort to encourage students to respond to the surveys.

“(d) ROLE OF SECRETARY.—

“(1) DEVELOPMENT OF SAMPLE SURVEYS.—The Secretary, in consultation with relevant stakeholders, shall develop sample surveys that an institution may elect to use under this section, and shall post such surveys on a publicly accessible website of the Department of Education. The Secretary shall develop sample surveys that are suitable for the various populations who will participate in the surveys.

“(2) LIMIT ON OTHER ACTIVITIES.—In carrying out this section, the Secretary—

“(A) may not regulate or otherwise impose conditions on the contents of an institution’s surveys under this section, except as may be necessary to ensure that the institution meets the confidentiality requirements of subsection (c)(1); and

“(B) may not use the results of the surveys to make comparisons between institutions of higher education.

“(e) FREQUENCY.—An institution of higher education that is subject to this part shall conduct a survey under this section not less frequently than once every 3 academic years.

“SEC. 163. SURVIVORS’ COUNSELORS.

“(a) REQUIRING INSTITUTIONS TO MAKE COUNSELOR AVAILABLE.—

“(1) IN GENERAL.—Each institution of higher education that is subject to this part shall retain the services of qualified sexual assault survivors’ counselors to counsel and support students who are victims of sexual assault.

“(2) USE OF CONTRACTORS PERMITTED.—At the option of the institution, the institution may retain the services of counselors who are employees of the institution or may enter into agreements with other institutions of higher education, victim advocacy organizations, or other appropriate sources to provide counselors for purposes of this section.

“(3) NUMBER.—The institution shall retain such number of counselors under this section as the institution considers appropriate based on a reasonable determination of the anticipated demand for such counselors’ services, so long as the institution retains the services of at least one such counselor at all times.

“(b) QUALIFICATIONS.—A counselor is qualified for purposes of this section if the counselor has completed education specifically designed to enable the counselor to provide support to victims of sexual assault, and is familiar with relevant laws on sexual assault as well as the institution’s own policies regarding sexual assault.

“(c) INFORMING VICTIMS OF AVAILABLE OPTIONS AND SERVICES.—In providing services pursuant to this section, a counselor shall—

“(1) inform the victim of sexual assault of options available to victims, including the procedures the victim may follow to report the assault to the institution or to a law enforcement agency; and

“(2) inform the victim of interim measures that may be taken pending the resolution of institutional disciplinary proceedings or the conclusion of criminal justice proceedings.

“(d) CONFIDENTIALITY.—

“(1) MAINTAINING CONFIDENTIALITY OF INFORMATION.—In providing services pursuant to this section, a counselor shall—

“(A) maintain confidentiality with respect to any information provided by a victim of sexual assault to the greatest extent permitted under applicable law; and

“(B) notify the victim of any circumstances under which the counselor is required to report information to others (including a law enforcement agency) notwithstanding the general requirement to maintain confidentiality under subparagraph (A).

“(2) MAINTAINING PRIVACY OF RECORDS.—A counselor providing services pursuant to this section shall be considered a recognized professional for purposes of section 444(a)(4)(B)(iv) of the General Education Provisions Act (commonly known as the Family Educational Rights and Privacy Act of 1974) (20 U.S.C. 1232g(a)(4)(B)(iv)).

“(e) LIMITATIONS.—

“(1) NO REPORTING OF INCIDENTS UNDER CLERY ACT OR OTHER AUTHORITY.—

A counselor providing services pursuant to this section is not required to report incidents of sexual assault that are reported to the counselor for inclusion in any report on campus crime statistics, and shall not be considered part of a campus police or security department for purposes of section 485(f).

“(2) NO COVERAGE OF COUNSELORS AS RESPONSIBLE EMPLOYEES UNDER TITLE IX.—A counselor providing services pursuant to this section on behalf of an institution of higher education shall not be considered a responsible employee of the institution for purposes of title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.) or the regulations promulgated pursuant to such title.

“(f) NOTIFICATIONS TO STUDENTS.—Each institution of higher education that is subject to this part shall make a good faith effort to notify its students of the availability of the services of counselors pursuant to this section through the statement of policy described in section 485(f)(8)(B)(vi) and any other methods as the institution considers appropriate, including disseminating information through the institution’s website, posting notices throughout the campus, and including information as part of programs to educate students on sexual assault prevention and awareness.

“SEC. 164. FORM TO DISTRIBUTE TO VICTIMS OF SEXUAL ASSAULT.

“(a) REQUIREMENT TO DEVELOP AND DISTRIBUTE FORM.—Each institution of higher education that is subject to this part shall develop a one-page form containing information to provide guidance and assistance to students who may be victims of sexual assault, and shall make the form widely available to students.

“(b) CONTENTS OF FORM.—The form developed under this section shall contain such information as the institution considers appropriate, and may include the following:

“(1) Information about the services of counselors which are available pursuant to section 163, including a statement that the counselor will provide the maximum degree of confidentiality permitted under law, and a brief description of the circumstances under which the counselor may be required to report information notwithstanding the victim’s desire to keep the information confidential.

“(2) Information about other appropriate campus resources and resources in the local community, including contact information.

“(3) Information about where to obtain medical treatment, and information about transportation services to such medical treatment facilities, if available.

“(4) Information about the importance of preserving evidence after a sexual assault.

“(5) Information about how to file a report with local law enforcement agencies.

“(6) Information about the victim’s right to request accommodations, and examples of accommodations that may be provided.

“(7) Information about the victim’s right to request that the institution begin an investigation of an allegation of sexual assault and initiate an institutional disciplinary proceeding if the alleged perpetrator of the assault is another student or a member of the faculty or staff of the institution.

“(8) A statement that an institutional disciplinary proceeding is not a substitute for a criminal justice proceeding.

“(9) Information about how to report a sexual assault to the institution, including the designated official or office responsible for receiving these reports.

“(c) DEVELOPMENT OF MODEL FORMS.—The Secretary, in consultation with relevant stakeholders, shall develop model forms that an institution may use to meet the requirements of this section, and shall include in such model forms language which may accommodate a variety of State and local laws and institutional policies. Nothing in this subsection may be construed to require an institution to use any of the model forms developed under this subsection.

“SEC. 165. MEMORANDA OF UNDERSTANDING WITH LOCAL LAW ENFORCEMENT AGENCIES.

“(a) FINDINGS; PURPOSE.—

“(1) FINDINGS.—Because sexual assault is a serious crime, coordination and cooperation between institutions of higher education and law enforcement agencies are critical in ensuring that reports of sexual assaults on campus are handled in an appropriate and effective manner. A memorandum of understanding entered into between an institution and the law enforcement agency with pri-

mary jurisdiction for responding to reports of sexual assault on the institution's campus is a useful tool to promote this coordination and cooperation.

“(2) PURPOSE.—It is the purpose of this section to encourage each institution of higher education that is subject to this part to enter into a memorandum of understanding with the law enforcement agency with primary jurisdiction for responding to reports of sexual assault on the institution's campus so that reports of sexual assault on the institution's campus may be handled in an appropriate and effective manner.

“(b) CONTENTS OF MEMORANDUM.—An institution of higher education and a law enforcement agency entering into a memorandum of understanding described in this section are encouraged to include in the memorandum provisions addressing the following:

“(1) An outline of the protocols and a delineation of responsibilities for responding to a report of sexual assault occurring on campus.

“(2) A clarification of each party's responsibilities under existing Federal, State, and local law or policies.

“(3) The need for the law enforcement agency to know about institutional policies and resources so that the agency can direct student-victims of sexual assault to such resources.

“(4) The need for the institution to know about resources available within the criminal justice system to assist survivors, including the presence of special prosecutor or police units specifically designated to handle sexual assault cases.

“(5) If the institution has a campus police or security department with law enforcement authority, the need to clarify the relationship and delineate the responsibilities between such department and the law enforcement agency with respect to handling incidents of sexual assaults occurring on campus.

“(c) ROLE OF SECRETARY.—The Secretary, in consultation with the Attorney General, shall develop best practices for memoranda of understanding described in this section, and shall disseminate such best practices on a publicly accessible website of the Department of Education.

“SEC. 166. DEFINITIONS.

“In this part:

“(1) The term ‘sexual assault’ has the meaning given such term in section 485(f)(6)(A)(v).

“(2) The terms ‘dating violence’, ‘domestic violence’, and ‘stalking’, have the meaning given such terms in section 485(f)(6)(A)(i).”.

TITLE II—EXPANDING ACCESS TO IN-DEMAND APPRENTICESHIPS

SEC. 201. REPEAL.

(a) REPEAL.—Title II (20 U.S.C. 1021 et seq.) is repealed.

(b) PART A TRANSITION.—Part A of title II (20 U.S.C. 1022 et seq.), as in effect on the day before the date of the enactment of this Act, may be carried out using funds that have been appropriated for such part until September 30, 2018.

SEC. 202. GRANTS FOR ACCESS TO HIGH-DEMAND CAREERS.

The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended by inserting after title I the following:

“TITLE II—EXPANDING ACCESS TO IN-DEMAND APPRENTICESHIPS

“SEC. 201. APPRENTICESHIP GRANT PROGRAM.

“(a) PURPOSE.—The purpose of this section is to expand student access to, and participation in, new industry-led earn-and-learn programs leading to high-wage, high-skill, and high-demand careers.

“(b) AUTHORIZATION OF APPRENTICESHIP GRANT PROGRAM.—

“(1) IN GENERAL.—From the amounts authorized under subsection (j), the Secretary shall award grants, on a competitive basis, to eligible partnerships for the purpose described in subsection (a).

“(2) DURATION.—The Secretary shall award grants under this section for a period of—

“(A) not less than 1 year; and

“(B) not more than 4 years.

“(3) LIMITATIONS.—

“(A) AMOUNT.—A grant awarded under this section may not be in an amount greater than \$1,500,000.

“(B) NUMBER OF AWARDS.—An eligible partnership or member of such partnership may not be awarded more than one grant under this section.

“(C) ADMINISTRATION COSTS.—An eligible partnership awarded a grant under this section may not use more than 5 percent of the grant funds to pay administrative costs associated with activities funded by the grant.

“(c) MATCHING FUNDS.—To receive a grant under this section, an eligible partnership shall, through cash or in-kind contributions, provide matching funds from non-Federal sources in an amount equal to or greater than 50 percent of the amount of such grant.

“(d) APPLICATIONS.—

“(1) IN GENERAL.—To receive a grant under this section, an eligible partnership shall submit to the Secretary at such a time as the Secretary may require, an application that—

“(A) identifies and designates the business or institution of higher education responsible for the administration and supervision of the earn-and-learn program for which such grant funds would be used;

“(B) identifies the businesses and institutions of higher education that comprise the eligible partnership;

“(C) identifies the source and amount of the matching funds required under subsection (c);

“(D) identifies the number of students who will participate and complete the relevant earn-and-learn program within 1 year of the expiration of the grant;

“(E) identifies the amount of time, not to exceed 2 years, required for students to complete the program;

“(F) identifies the relevant recognized postsecondary credential to be awarded to students who complete the program;

“(G) identifies the anticipated earnings of students—

“(i) 1 year after program completion; and

“(ii) 3 years after program completion;

“(H) describes the specific project for which the application is submitted, including a summary of the relevant classroom and paid structured on-the-job training students will receive;

“(I) describes how the eligible partnership will finance the program after the end of the grant period;

“(J) describes how the eligible partnership will support the collection of information and data for purposes of the program evaluation required under subsection (h); and

“(K) describes the alignment of the program with State identified in-demand industry sectors.

“(2) APPLICATION REVIEW PROCESS.—

“(A) REVIEW PANEL.—Applications submitted under paragraph (1) shall be read by a panel of readers composed of individuals selected by the Secretary. The Secretary shall assure that an individual assigned under this paragraph does not have a conflict of interest with respect to the applications reviewed by such individual.

“(B) COMPOSITION OF REVIEW PANEL.—The panel of reviewers selected by the Secretary under subparagraph (A) shall be comprised as follows:

“(i) A majority of the panel shall be individuals who are representative of businesses, which may include owners, executives with optimum hiring authority, or individuals representing business organizations or business trade associations.

“(ii) The remainder of the panel shall be equally divided between individuals who are—

“(I) representatives of institutions of higher education that offer programs of two years or less; and

“(II) representatives of State workforce development boards established under section 101 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3111).

“(C) REVIEW OF APPLICATIONS.—The Secretary shall instruct the review panel selected by the Secretary under paragraph (2)(A) to evaluate applications using only the criteria specified in paragraph (1) and make recommendations with respect to—

“(i) the quality of the applications;

“(ii) whether a grant should be awarded for a project under this title; and

“(iii) the amount and duration of such grant.

“(D) NOTIFICATION.—Not later than June 30 of each year, the Secretary shall notify each eligible partnership submitting an application under this section of—

“(i) the scores given the applicant by the panel pursuant to this section;

“(ii) the recommendations of the panel with respect to such application; and

“(iii) the reasons for the decision of the Secretary in awarding or refusing to award a grant under this section; and

“(iv) modifications, if any, in the recommendations of the panel made to the Secretary.

“(e) AWARD BASIS.—The Secretary shall award grants under this section on the following basis—

“(1) the number of participants to be served by the grant;

“(2) the anticipated income of program participants in relation to the regional median income;

“(3) the alignment of the program with State-identified in-demand industry sectors; and

“(4) the recommendations of the readers under subsection (d)(2)(C).

“(f) USE OF FUNDS.—Grant funds provided under this section may be used for—

“(1) the purchase of appropriate equipment, technology, or instructional material, aligned with business and industry needs, including machinery, testing equipment, hardware and software;

“(2) student books, supplies, and equipment required for enrollment;

“(3) the reimbursement of up to 50 percent of the wages of a student participating in an earn-and-learn program receiving a grant under this section;

“(4) the development of industry-specific programing;

“(5) supporting the transition of industry-based professionals from an industry setting to an academic setting;

“(6) industry-recognized certification exams or other assessments leading to a recognized postsecondary credential associated with the earn-and-learn program; and

“(7) any fees associated with the certifications or assessments described in paragraph (6).

“(g) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to eligible partnerships awarded under this section throughout the grant period for purposes of grant management.

“(h) EVALUATION.—

“(1) IN GENERAL.—From the amounts made available under subsection (j), the Secretary, acting through the Director of the Institute for Education Sciences, shall provide for the independent evaluation of the grant program established under this section that includes the following:

“(A) An assessment of the effectiveness of the grant program in expanding earn-and-learn program opportunities offered by employers in conjunction with institutions of higher education.

“(B) The number of students who participated in programs assisted under this section.

“(C) The percentage of students participating in programs assisted under this section who successfully completed the program in the time described in subsection (d)(1)(E).

“(D) The median earnings of program participants—

“(i) 1 year after exiting the program; and

“(ii) 3 years after exiting the program.

“(E) The percentage of students participating in programs assisted under this section who successfully receive a recognized postsecondary credential.

“(F) The number of students served by programs receiving funding under this section—

“(i) 2 years after the end of the grant period;

“(ii) 4 years after the end of the grant period.

“(2) PROHIBITION.—Notwithstanding any other provision of law, the evaluation required by this subsection shall not be subject to any review outside the Institute for Education Sciences before such reports are submitted to Congress and the Secretary.

“(3) PUBLICATION.—The evaluation required by this subsection shall be made publicly available on the website of the Department.

“(i) DEFINITIONS.—In this section:

“(1) EARN-AND-LEARN PROGRAM.—The term ‘earn-and-learn program’ means an education program, including an apprenticeship program, that provides stu-

dents with structured, sustained, and paid on-the-job training and accompanying, for credit, classroom instruction that—

“(A) is for a period of between 3 months and 2 years; and

“(B) leads to, on completion of the program, a recognized postsecondary credential.

“(2) ELIGIBLE PARTNERSHIP.—The term ‘eligible partnership’ shall mean a consortium that includes—

“(A) 1 or more businesses; and

“(B) 1 or more institutions of higher education.

“(3) IN-DEMAND INDUSTRY SECTOR OR OCCUPATION.—The term ‘in-demand industry sector or occupation’ has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

“(4) ON-THE-JOB TRAINING.—The term ‘on-the-job training’ has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

“(5) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term ‘recognized postsecondary credential’ has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

“(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$183,204,000 for fiscal year 2019 and each of the 5 succeeding fiscal years.”.

TITLE III—INSTITUTIONAL AID

SEC. 301. STRENGTHENING INSTITUTIONS.

Part A of title III (20 U.S.C. 1057 et seq.) is amended—

(1) in the part heading for part A, by inserting “MINORITY-SERVING” after “STRENGTHENING”;

(2) in section 311—

(A) by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively;

(B) in subsection (b) (as so redesignated)—

(i) by striking paragraph (6) and inserting the following:

“(6) Tutoring, counseling, advising, and student service programs designed to improve academic success, including innovative and customized instructional courses (which may include remedial education and English language instruction) designed to help retain students and move the students rapidly into core courses and through program completion.”;

(ii) in paragraph (8), by striking “acquisition of equipment for use in strengthening funds management” and inserting “acquisition of technology, services, and equipment for use in strengthening funds and administrative management”;

(iii) in paragraph (12), by striking “Creating” and all that follows through “technologies,” and inserting “Innovative learning models and creating or improving facilities for Internet or other innovative technologies.”;

(iv) by redesignating paragraph (13) as paragraph (18); and

(v) by inserting after paragraph (12) the following:

“(13) Establishing community outreach programs that will encourage elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education.

“(14) The development, coordination, implementation, or improvement of career and technical education programs as defined in section 135 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2355).

“(15) Alignment and integration of career and technical education programs with programs of study leading to a bachelor’s degree, graduate degree, or professional degree.

“(16) Developing or expanding access to dual or concurrent enrollment programs and early college high school programs.

“(17) Pay for success initiatives that improve time to completion and increase graduation rates.”; and

(C) in subsection (c) (as so redesignated), by adding at the end the following:

“(4) SCHOLARSHIP.—An institution that uses grant funds provided under this part to establish or increase an endowment fund may use the income from such endowment fund to provide scholarships to students for the purposes of attending such institution, subject to the limitation in section 331(c)(3)(B)(i).”;

(3) in section 312—

- (A) in subsection (a), by striking “transfers which the institution” and inserting “transfers that the institution”;
- (B) in subsection (b)(1)—
 - (i) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (E), respectively (and by reordering such subparagraphs accordingly);
 - (ii) in subparagraph (E) (as so redesignated), by inserting “(as defined in section 103(20)(A))” after “State”; and
 - (iii) in subparagraph (F) (as so redesignated), by striking “and” at the end; and
- (C) in subsection (b)—
 - (i) by striking the period at the end of paragraph (2) and inserting “; and”; and
 - (ii) by inserting after paragraph (2) the following:
 - “(3) except as provided in section 392(b), an institution that has a completion rate of at least 25 percent that is calculated by counting a student as completed if that student—
 - “(A) graduates within 150 percent of the normal time for completion; or
 - “(B) enrolled into another program at an institution for which the previous program provided substantial preparation within 150 percent of the normal time for completion.”;
- (4) in section 313—
 - (A) in subsection (a)—
 - (i) by striking “for 5 years” and inserting “for a period of 5 years”; and
 - (ii) by adding at the end the following: “Any funds awarded under this section that are not expended or used for the purposes for which the funds were paid within 10 years following the date on which the grant was awarded, shall be repaid to the Treasury.”; and
 - (B) by striking subsection (d);
- (5) in section 316—
 - (A) in subsection (c)—
 - (i) in paragraph (2)—
 - (I) by striking subparagraph (A) and inserting the following:
 - “(A) the activities described in paragraphs (1) through (12) and (14) through (17) of section 311(b);”;
 - (II) by striking subparagraphs (E) through (J);
 - (III) by redesignating subparagraphs (K) and (L) as subparagraphs (E) and (F), respectively;
 - (IV) by striking subparagraph (M); and
 - (V) by redesignating subparagraph (N) as subparagraph (G); and
 - (VI) in subparagraph (G) (as so redesignated), by striking “(M)” and inserting “(F)”;
 - (ii) by striking paragraph (3) and inserting the following:
 - “(3) ENDOWMENT FUND.—A Tribal College or University seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).”; and
 - (B) in subsection (d)—
 - (i) by striking paragraph (2) and inserting the following:
 - “(2) APPLICATION.—A Tribal College or University desiring to receive assistance under this section shall submit an application to the Secretary pursuant to section 391.”; and
 - (ii) in paragraph (4)—
 - (I) in subparagraph (A), by striking “part A of”; and
 - (II) in subparagraph (B), by striking “313(d)” and inserting “312(b)(3)”;
- (6) in section 317—
 - (A) in subsection (c)—
 - (i) by striking paragraph (2) and inserting the following:
 - “(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—
 - “(A) the activities described in paragraphs (1) through (17) of section 311(b); and
 - “(B) other activities proposed in the application submitted pursuant to subsection (d) that—
 - “(i) contribute to carrying out the purpose of this section; and
 - “(ii) are approved by the Secretary as part of the review and approval of an application submitted under subsection (d).”; and
 - (ii) by adding at the end the following:
 - “(i) contribute to carrying out the purpose of this section; and
 - “(ii) are approved by the Secretary as part of the review and approval of an application submitted under subsection (d).”; and

“(3) ENDOWMENT FUND.—An Alaska Native-serving institution and Native Hawaiian-serving institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).”; and

- (B) in subsection (d)—
- (i) by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;
 - (ii) in paragraph (1) (as so redesignated)—
 - (I) in the first sentence, by inserting “pursuant to section 391” after “to the Secretary”; and
 - (II) by striking the remaining sentences; and
 - (iii) in paragraph (2) (as so redesignated)—
 - (I) in subparagraph (A), by striking “this part or part B.” and inserting “this part, part B, or title V.”; and
 - (II) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B);
- (7) in section 318—
- (A) in subsection (b)—
 - (i) in paragraph (1)—
 - (I) in subparagraph (E), by striking “and” at the end;
 - (II) in subparagraph (F)(ii), by striking “part A of”;
 - (III) in subparagraph (F)(iii), by striking the period at the end and inserting “; and”; and
 - (IV) by adding at the end the following:

“(G) is an eligible institution under section 312(b).”; and
 - (ii) by striking paragraph (7);
 - (B) in subsection (d)—
 - (i) in paragraph (2)—
 - (I) in subparagraph (A), by striking “through (12) of section 311(c)” and inserting “through (17) of section 311(b)”;
 - (II) by striking subparagraph (D); and
 - (III) by redesignating subparagraph (E) as subparagraph (D); and
 - (ii) by striking paragraph (3) and inserting the following:

“(3) ENDOWMENT FUND.—A Predominantly Black Institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).”;
- (C) in subsection (f), by striking all after “Secretary” the first place such term appears and inserting “pursuant to section 391.”;
- (D) by striking subsections (g) and (h);
 - (E) by redesignating subsection (i) as subsection (g); and
 - (F) in subsection (g) (as so redesignated), by striking “part A of”;
- (8) in section 319—
- (A) in subsection (c)—
 - (i) by striking paragraph (2) and inserting the following:

“(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—

“(A) the activities described in paragraphs (1) through (17) of section 311(b); and

“(B) other activities proposed in the application submitted pursuant to subsection (d) that—

 - “(i) contribute to carrying out the purpose of this section; and
 - “(ii) are approved by the Secretary as part of the review and approval of an application submitted under subsection (d).”;
 - (ii) by adding at the end the following:

“(3) ENDOWMENT FUND.—A Native American-serving, nontribal institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).”; and
 - (B) in subsection (d)—
 - (i) by striking paragraph (1) and inserting the following:

“(1) APPLICATION.—A Native American-serving, nontribal institution desiring to receive assistance under this section shall submit an application to the Secretary pursuant to section 391.”;
 - (ii) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2); and
 - (iii) in paragraph (2) (as so redesignated)—
 - (I) in subparagraph (A), by striking “part A of”;
 - (II) by striking subparagraph (B); and
 - (III) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and
- (9) in section 320—

- (A) in subsection (c)—
- (i) by striking paragraph (2) and inserting the following:
- “(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—
- “(A) the activities described in paragraphs (1) through (17) of section 311(b);
- “(B) academic instruction in disciplines in which Asian Americans and Native American Pacific Islanders are underrepresented;
- “(C) conducting research and data collection for Asian American and Native American Pacific Islander populations and subpopulations;
- “(D) establishing partnerships with community-based organizations serving Asian Americans and Native American Pacific Islanders; and
- “(E) other activities proposed in the application submitted pursuant to subsection (d) that—
- “(i) contribute to carrying out the purpose of this section; and
- “(ii) are approved by the Secretary as part of the review and approval of an application submitted under subsection (d).”; and
- (ii) by adding at the end the following:
- “(3) ENDOWMENT FUND.—An Asian American and Native American Pacific Islander-serving institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).”; and
- (B) in subsection (d)—
- (i) by striking paragraph (1) and inserting the following:
- “(1) APPLICATION.—Each Asian American and Native American Pacific Islander-serving institution desiring to receive assistance under this section shall submit an application to the Secretary pursuant to section 391.”;
- (ii) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2); and
- (iii) in paragraph (2) (as so redesignated), by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).
- SEC. 302. STRENGTHENING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.**
- Part B of title III (20 U.S.C. 1060 et seq.) is amended—
- (1) in section 323—
- (A) by striking subsection (a) and inserting the following :
- “(a) AUTHORIZED ACTIVITIES.—From amounts available under section 399(a)(2) for any fiscal year, the Secretary shall make grants (under section 324) to institutions which have applications approved by the Secretary (under section 325) for any of the following uses:
- “(1) The activities described in paragraphs (1) through (17) of section 311(b).
- “(2) Academic instruction in disciplines in which Black Americans are underrepresented.
- “(3) Initiatives to improve the educational outcomes of African American males.
- “(4) Establishing or enhancing a program of teacher education designed to qualify students to teach in a public elementary or secondary school in the State that shall include, as part of such program, preparation for teacher certification.
- “(5) Acquisition of real property in connection with the construction, renovation, or addition to or improvement of campus facilities.
- “(6) Services necessary for the implementation of projects or activities that are described in the grant application and that are approved, in advance, by the Secretary, except that not more than two percent of the grant amount may be used for this purpose.
- “(7) Other activities proposed in the application submitted pursuant to section 325 that—
- “(A) contribute to carrying out the purposes of this part; and
- “(B) are approved by the Secretary as part of the review and acceptance of such application.”; and
- (B) by striking subsection (b) and inserting the following:
- “(b) ENDOWMENT FUND.—An institution seeking to establish or increase an endowment shall abide by the requirements in section 311(c).”; and
- (2) in section 325(a), by striking “(C), (D), and (E)” and inserting “(C) through (F)”;
- (3) in section 326—
- (A) by striking subsection (b) and inserting the following:
- “(b) DURATION.—The Secretary may award a grant to an eligible institution under this part for a period of 5 years. Any funds awarded under this section that are not expended or used for the purposes for which the funds were paid within 10 years following the date on which the grant was awarded, shall be repaid to the Treasury.”;

- (B) by striking subsection (c) and inserting the following:
- “(c) AUTHORIZED ACTIVITIES.—A grant under this section may be used for—
- “(1) the activities described in paragraphs (1) through (12), (14) through (15), and (17) of section 311(b);
- “(2) scholarships, fellowships, and other financial assistance for needy graduate and professional students to permit the enrollment of the students in and completion of the doctoral degree in medicine, dentistry, pharmacy, veterinary medicine, law, and the doctorate degree in the physical or natural sciences, engineering, mathematics, or other scientific disciplines in which African Americans are underrepresented;
- “(3) acquisition of real property that is adjacent to the campus in connection with the construction, renovation, or addition to or improvement of campus facilities;
- “(4) services necessary for the implementation of projects or activities that are described in the grant application and that are approved, in advance, by the Secretary, except that not more than two percent of the grant amount may be used for this purpose; and
- “(5) other activities proposed in the application submitted under subsection (d) that—
- “(A) contribute to carrying out the purposes of this part; and
- “(B) are approved by the Secretary as part of the review and acceptance of such application.”;
- (C) in subsection (e)(1)—
- (i) in subparagraph (W), by striking “and” at the end;
- (ii) in subparagraph (X), by striking the period at the end and inserting “; and”;
- (iii) by adding at the end the following:
- “(Y) University of the Virgin Islands School of Medicine.”;
- (iv) in each of paragraphs (2) and (3) of subsection (f), by striking “(X)” and inserting “(Y)”; and
- (v) in subsection (g), by striking “2008” each place such term appears and inserting “2018”; and
- (4) in section 327—
- (A) by striking the designation and heading for subsection (a); and
- (B) by striking subsection (b).

SEC. 303. HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING.

Part D of title III (20 U.S.C. 1066 et seq.) is amended—

- (1) in section 343—
- (A) in subsection (b)—
- (i) in paragraph (1), by striking “an escrow account” and inserting “a bond insurance fund”; and
- (ii) in paragraph (8)—
- (I) in the matter preceding subparagraph (A), by striking “establish an escrow account” and inserting “subject to subsection (f), establish a bond insurance fund”; and
- (II) in subparagraph (A), by striking “the escrow account” and inserting “the bond insurance fund”; and
- (iii) in paragraph (9)—
- (I) by striking “the escrow account” and inserting “the bond insurance fund or the escrow account described in subsection (f)(1)(B)” and
- (II) by striking “such escrow account” and inserting “such bond insurance fund or escrow account”;
- (iv) in subsection (c)—
- (I) in paragraph (2), by striking “the escrow account described in subsection (b)(8)” and inserting “the bond insurance fund described in subsection (b)(8) and the escrow account described in subsection (f)(1)(B)”;
- (II) in paragraph (4), by striking “and the escrow account” and inserting “, the bond insurance fund, and the escrow account described in subsection (f)(1)(B)”;
- (III) in paragraph (5)(B), by striking “and the escrow account” and inserting “, the bond insurance fund, and the escrow account described in subsection (f)(1)(B)”;
- (v) by adding at the end the following:

“(f) APPLICABILITY OF BOND INSURANCE FUND AND ESCROW ACCOUNT AND SPECIAL RULES.—

“(1) APPLICABILITY OF BOND INSURANCE FUND AND ESCROW ACCOUNT.—Except as provided in paragraph (2)—

“(A) the bond insurance fund established under subsection (b)(8) on the date of enactment of the PROSPER Act shall be made available with respect to loans made under this part on or after such date; and

“(B) the escrow account established under subsection (b)(8) before the date of enactment of the PROSPER Act and as in effect on the day before such date of enactment shall be made available with respect to loans made under this part before the date of enactment of the PROSPER Act.

“(2) SPECIAL RULES.—Notwithstanding paragraph (1)—

“(A) in a case in which the amount in the bond insurance fund described in paragraph (1)(A) is insufficient to make payments of principal and interest on bonds under subsection (b)(8)(B)(i) in the event of delinquency in loan repayment on loans made under this part on or after the date of enactment of the PROSPER Act, amounts in the escrow fund described in paragraph (1)(B) shall be made available to the Secretary to make such payments;

“(B) in a case in which the amount in the escrow account described in paragraph (1)(B) is insufficient to make payments of principal and interest on bonds under subsection (b)(8)(B)(i) in the event of delinquency in loan repayment on loans made under this part before the date of enactment of the PROSPER Act, amounts in the bond insurance fund described in paragraph (1)(A) shall be made available to the Secretary to make such payments; and

“(C) in a case in which an institution is required to return an amount equal to any remaining portion of such institution’s 5 percent deposit of loan proceeds under subsection (b)(8)(B)(ii), the institution shall return to the escrow account and the bond insurance fund an amount that is proportionate to the amount that was withdrawn from the escrow account and the bond insurance fund, respectively, by such institution.”;

(2) in section 345, by striking paragraph (9) and inserting the following:

“(9) may, directly or by grant or contract, provide financial counseling and technical assistance to eligible institutions to prepare the institutions to qualify, apply for, and maintain a capital improvement loan, including a loan under this part; and”;

(3) in section 347(c), by striking paragraph (2) and inserting the following:

“(2) REPORT.—On an annual basis, the Advisory Board shall prepare and submit to the authorizing committees a report on the status of the historically Black colleges and universities described in paragraph (1)(A) and an overview of all loans in the capital financing program, including the most recent loans awarded in the fiscal year in which the report is submitted. The report shall include administrative and legislative recommendations, as needed, for addressing the issues related to construction financing facing historically Black colleges and universities.”.

SEC. 304. MINORITY SCIENCE AND ENGINEERING IMPROVEMENT PROGRAM.

Part E of title III (20 U.S.C. 1067 et seq.) is amended—

(1) in section 353(a)—

(A) in paragraph (1), by striking “365(6)” and inserting “359(6)”;

(B) in paragraph (2), by striking “365(7)” and inserting “359(7)”;

(C) in paragraph (3), by striking “365(8)” and inserting “359(8)”;

(D) in paragraph (4), by striking “365(9)” and inserting “359(9)”;

(2) by striking subpart 2;

(3) by redesignating subpart 3 as subpart 2 and redesignating sections 361 through 365 as sections 355 through 359, respectively;

(4) in section 355 (as so redesignated), by striking paragraph (5);

(5) in section 356(a) (as so redesignated), by striking “determined under section 361” and inserting “determined under section 355”;

(6) in section 359(2) (as so redesignated)—

(A) by inserting “American” after “Black”; and

(B) by striking “Hispanic (including)” and inserting “Hispanic American (including)”.

SEC. 305. STRENGTHENING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTIONS.

Section 371 (20 U.S.C. 1067q) is amended—

(1) in subsection (b)(2)(D)(iii), by striking “section 311(c)” and inserting “section 311(b)”;

(2) in subsection (c)(9)(F)(ii), by striking “part A of”.

SEC. 306. GENERAL PROVISIONS.

Part G of title III (20 U.S.C. 1068 et seq.) is amended—

(1) in section 391(b)—

(A) in paragraph (1), by striking “institutional management” and all that follows through the semicolon at the end and inserting “institutional management, and use the grant to provide for, and lead to, institutional self-sustainability and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);”;

(B) in paragraph (7)—

(i) by striking subparagraph (C) and redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively; and

(ii) in subparagraph (D) (as so redesignated), strike “and” at the end;

(C) by striking paragraph (8) and inserting the following:

“(8) set forth a 5-year plan for improving the assistance provided by the institution; and”;

(D) by adding at the end the following:

“(9) submit such enrollment data as may be necessary to demonstrate that the institution is a minority-serving institution.”;

(2) in section 392—

(A) in subsection (b)—

(i) in the subsection heading, after “EXPENDITURES” insert “; COMPLETION RATES”;

(ii) in paragraph (1), insert “or 312(b)(3)” after “312(b)(1)(B)”; and

(iii) in paragraph (2)—

(I) in the matter preceding subparagraph (A)—

(aa) by inserting “or 312(b)(3)” after “312(b)(1)(B)”; and

(bb) by inserting “American” after “Hispanic”; and

(II) in subparagraph (A), by inserting “or section 312(b)(3)” after “312(b)(1)”; and

(B) by striking subsection (c) and inserting the following:

“(c) **WAIVER AUTHORITY WITH RESPECT TO INSTITUTIONS LOCATED IN AN AREA AFFECTED BY A MAJOR DISASTER.**—

“(1) **WAIVER AUTHORITY.**—Notwithstanding any other provision of law, unless enacted with specific reference to this section, in the case of a major disaster, the Secretary may waive for affected institutions—

“(A) the eligibility data requirements set forth in section 391(d) and section 521(e);

“(B) the allotment requirements under section 324; and

“(C) the use of the funding formula developed pursuant to section 326(f)(3);

“(2) **DEFINITIONS.**—In this subsection:

“(A) **AFFECTED INSTITUTION.**—The term ‘affected institution’ means an institution of higher education that—

“(i) is—

“(I) a part A institution (which term shall have the meaning given the term ‘eligible institution’ under section 312(b) or section 502(a)(6)); or

“(II) a part B institution, as such term is defined in section 322(2), or as identified in section 326(e);

“(ii) is located in an area affected by a major disaster; and

“(iii) is able to demonstrate that, as a result of the impact of a major disaster, the institution—

“(I) incurred physical damage;

“(II) has pursued collateral source compensation from insurance, the Federal Emergency Management Agency, and the Small Business Administration, as appropriate; and

“(III) was not able to fully reopen in existing facilities or to fully reopen to the pre-disaster enrollment levels.

“(B) **MAJOR DISASTER.**—The term ‘major disaster’ has the meaning given such term in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)).”; and

(3) in section 399, by striking subsection (a) and inserting the following:

“(a) **AUTHORIZATIONS.**—

“(1) **PART A.**—(A) There are authorized to be appropriated to carry out section 316, \$27,599,000 for each of fiscal years 2019 through 2024.

“(B) There are authorized to be appropriated to carry out section 317, \$13,802,000 for each of fiscal years 2019 through 2024.

“(C) There are authorized to be appropriated to carry out section 318, \$9,942,000 for each of fiscal years 2019 through 2024.

“(D) There are authorized to be appropriated to carry out section 319, \$3,348,000 for each of fiscal years 2019 through 2024.

“(E) There are authorized to be appropriated to carry out section 320, \$3,348,000 for each of fiscal years 2019 through 2024.

“(2) PART B.—(A) There are authorized to be appropriated to carry out part B (other than section 326), \$244,694,000 for each of fiscal years 2019 through 2024.

“(B) There are authorized to be appropriated to carry out section 326, \$63,281,000 for each of fiscal years 2019 through 2024.

“(3) PART D.—There are authorized to be appropriated to carry out part D, \$20,484,000 for each of fiscal years 2019 through 2024. Of the amount authorized, 1.63 percent shall be reserved for administrative expenses.

“(4) PART E.—There are authorized to be appropriated to carry out subpart 1 of part E, \$9,648,000 for each of fiscal years 2019 through 2024.”.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

SEC. 401. FEDERAL PELL GRANTS.

(a) REAUTHORIZATION.—Section 401(a)(1) (20 U.S.C. 1070a(a)(1)) is amended—

(1) by striking “fiscal year 2017” and inserting “fiscal year 2024”; and

(2) by inserting “an eligible program at” after “attendance at”.

(b) FEDERAL PELL GRANT BONUS.—

(1) AMENDMENTS.—Section 401(b) (20 U.S.C. 1070a(b)) is amended—

(A) in paragraph (7)(A)(iii)—

(i) by inserting “and paragraph (9)” after “this paragraph”; and

(ii) by inserting before the semicolon at the end the following: “and to provide the additional amount required by paragraph (9)”; and

(B) by adding at the end the following:

“(9) FEDERAL PELL GRANT BONUS.—

“(A) IN GENERAL.—Notwithstanding any other provision of this subsection and from the amounts made available pursuant to paragraph (7)(A)(iii) for the purposes of this paragraph, an eligible student who is receiving a Federal Pell Grant for an award year shall receive an amount in addition to such Federal Pell Grant for each payment period of such award year for which the student—

“(i) is receiving such Federal Pell Grant as long as the amount of such Federal Pell Grant does not exceed the maximum amount of a Federal Pell Grant award determined under paragraph (2)(A) for such award year; and

“(ii) is carrying a work load that—

“(I) is greater than the normal full-time work load for the course of study the student is pursuing, as determined by the institution of higher education; and

“(II) will lead to the completion of not less than 30 credit hours (or the equivalent coursework) upon the completion of the final payment period for which the student is receiving the Federal Pell Grant described in clause (i).

“(B) AMOUNT OF BONUS.—The amount provided to an eligible student under subparagraph (A) for an award year may not exceed \$300, which shall be equally divided among each payment period of such award year described in clauses (i) and (ii) of subparagraph (A).”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect with respect to award year 2018–2019 and each succeeding award year.

(c) PERIOD OF ELIGIBILITY FOR GRANTS.—Section 401(c) (20 U.S.C. 1070a(c)) is amended by adding at the end the following:

“(6)(A) The Secretary shall issue to each student receiving a Federal Pell Grant, an annual status report which shall—

“(i) inform the student of the remaining period during which the student may receive Federal Pell Grants in accordance with paragraph (5), and provide access to a calculator to assist the student in making such determination;

“(ii) include an estimate of the Federal Pell Grant amounts which may be awarded for such remaining period based on the student’s award amount determined under subsection (b)(2)(A) for the most recent award year;

“(iii) explain how the estimate was calculated and any assumptions underlying the estimate;

“(iv) explain that the estimate may be affected if there is a change—

“(I) in the student’s financial circumstances; or

“(II) the availability of Federal funding; and

“(v) describe how the remaining period during which the student may receive Federal Pell Grants will be affected by whether the student is enrolled as a full-time student.

“(B) Nothing in this paragraph shall be construed to prohibit an institution from offering additional counseling to a student with respect to Federal Pell Grants, but such counseling shall not delay or impede disbursement of a Federal Pell Grant award to the student.”.

(d) DISTRIBUTION OF GRANTS TO STUDENTS.—Section 401(e) (20 U.S.C. 1070a(e)) is amended by striking the first sentence and inserting “Payments under this section shall be made in the same manner as disbursements under section 465(a).”.

(e) INSTITUTIONAL INELIGIBILITY BASED ON DEFAULT RATES.—Section 401(j) of such Act (20 U.S.C. 1070a(j)) is amended by adding at the end the following:

“(3) SUNSET.—The provisions of this subsection shall not apply after the transition period described in section 481B(e)(3).”.

(f) PREVENTION OF FRAUD.—Section 401 (20 U.S.C. 1070a) is amended by adding at the end the following:

“(k) PREVENTION OF FRAUD.—

“(1) PROHIBITION OF AWARDS.—

“(A) IN GENERAL.—No Federal Pell Grant shall be awarded under this subpart to any student who—

“(i) received a Federal Pell Grant for 3 award years; and

“(ii) for each such award year, was enrolled in an institution of higher education and did not earn any academic credit for which the Federal Pell Grant was provided.

“(B) WAIVER.—The student financial aid administrator at an institution of higher education may waive the requirement of subparagraph (A) for a student, if the financial aid administrator—

“(i) determines that the student was unable to earn any academic credit as described in subparagraph (A)(ii) due to circumstances beyond the student’s control; and

“(ii) makes and documents such a determination on an individual student basis.

“(C) DEFINITION OF CIRCUMSTANCES BEYOND A STUDENT’S CONTROL.—For purposes of this paragraph, the term ‘circumstances beyond the student’s control’, when used with respect to an individual student—

“(i) may include the student withdrawing from an institution of higher education due to illness; and

“(ii) shall not include the student withdrawing from an institution of higher education to avoid a particular grade.

“(2) SECRETARIAL DISCRETION TO STOP AWARDS.—With respect to a student who receives a disbursement of a Federal Pell Grant for a payment period of an award year and whom the Secretary determines has had an unusual enrollment history, the Secretary may prevent such student from receiving any additional disbursements of such Federal Pell Grant for such award year until the student financial aid administrator at the student’s institution of higher education determines that the student’s enrollment history should not be considered an unusual enrollment history.”.

(g) REPORT ON COSTS OF FEDERAL PELL GRANT PROGRAM.—Section 401 (20 U.S.C. 1070a), as amended by subsections (a) through (f), is further amended by adding at the end the following:

“(1) REPORT ON COSTS OF FEDERAL PELL GRANT PROGRAM.—Not later than October 31 of each year, the Secretary shall prepare and submit a report to the authorizing committees that includes the following information with respect to spending for the Federal Pell Grant program for the preceding fiscal year:

“(1) The total obligations and expenditures for the program for such fiscal year.

“(2) A comparison of the total obligations and expenditures for the program for such fiscal year—

“(A) to the most recently available Congressional Budget Office baseline for the program; and

“(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for the program included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.

“(3) The total obligations and expenditures for the maximum Federal Pell Grant for which a student is eligible, as specified in the last enacted appropriation Act applicable to such fiscal year.

“(4) A comparison of the total obligations and expenditures for the maximum Federal Pell Grant for which a student is eligible, as specified in the last enacted appropriation Act applicable to such fiscal year—

“(A) to the most recently available Congressional Budget Office baseline for such maximum Federal Pell Grant; and

“(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for such maximum Federal Pell Grant included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.

“(5) The total mandatory obligations and expenditures for the amount of the increase in such maximum Federal Pell Grant required by subsection (b)(7)(B) for such fiscal year.

“(6) A comparison of the total mandatory obligations and expenditures for the amount of the increase in such maximum Federal Pell Grant required by subsection (b)(7)(B)—

“(A) to the most recently available Congressional Budget Office baseline for the increase; and

“(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for the increase included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.

“(7) The total mandatory obligations and expenditures for the Federal Pell Grant Bonus required by subsection (b)(9) for such fiscal year.

“(8) A comparison of the total mandatory obligations and expenditures for the Federal Pell Grant Bonus required by subsection (b)(9) for such fiscal year—

“(A) to the most recently available Congressional Budget Office baseline for such bonus; and

“(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for such bonus included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.”

(h) STUDY ON FEDERAL PELL GRANT BONUS.—Section 401 (20 U.S.C. 1070a), as amended by subsections (a) through (g), is further amended by adding at the end the following:

“(m) REPORT AND STUDY ON FEDERAL PELL GRANT BONUS.—

“(1) REPORT.—

“(A) IN GENERAL.—The Secretary shall report annually, in accordance with subparagraph (C), on the Federal Pell Grant Bonus required by subsection (b)(9).

“(B) ELEMENTS.—Each report required under subparagraph (A) shall include an assessment of the following:

“(i) The number of students who received the Federal Pell Grant Bonus under subsection (b)(9).

“(ii) Of the students counted under clause (i)—

“(I) the number of such students who obtained a degree or certificate within the normal time to completion for the program for which the Federal Pell Grant Bonus was awarded; and

“(II) the number of such students who obtained a degree or certificate—

“(aa) within 4 years of beginning the program of study for which the Federal Pell Grant Bonus was awarded;

“(bb) within 5 years of beginning such program of study; and

“(cc) within 6 years of beginning such program of study.

“(C) SUBMISSION OF REPORTS.—

“(i) INITIAL REPORT.—Not later than one year after the first cohort of students described in subparagraph (B)(i) is expected to complete their program of study, the Secretary shall submit to the authorizing committees an initial report under subparagraph (A).

“(ii) ANNUAL UPDATES.—On an annual basis, the Secretary shall update the report under subparagraph (A) and submit the updated report to the authorizing committees.

“(2) STUDY.—Not later than 18 months after the date of the submission of the initial report under paragraph (1)(C)(i), the Comptroller General of the United States shall complete a study on the impact of the Federal Pell Grant Bonus required under subsection (b)(9). The study shall include an assessment of the following:

“(A) Of the students who received the Federal Pell Grant Bonus, the number of such students who had a lower volume of student loans upon completion of their program of study compared to students who received a Federal Pell Grant but did not receive the Federal Pell Grant Bonus.

“(B) Whether students who received the Federal Pell Grant Bonus took an increased courseload as a result of the availability of the Federal Pell Grant Bonus.

“(C) The completion rate of students who received the Federal Pell Grant Bonus compared to the completion rate of students who did not receive the bonus.”.

SEC. 402. FEDERAL TRIO PROGRAMS.

(a) PROGRAM AUTHORITY; AUTHORIZATION OF APPROPRIATIONS.—Section 402A (20 U.S.C. 1070a–11) is amended—

(1) in subsection (c)—

(A) by amending subparagraph (A) of paragraph (2) to read as follows:

“(A) ACCOUNTABILITY FOR OUTCOMES.—In making grants under this chapter, the Secretary shall comply with the following requirements:

“(i) The Secretary shall consider each applicant’s prior success in achieving high quality service delivery, as determined under subsection (f), under the particular program for which funds are sought. The level of consideration given the factor of prior success in achieving high quality service delivery shall not vary from the level of consideration given such factor during fiscal years 1994 through 1997, except that grants made under section 402H shall not be given such consideration.

“(ii) The Secretary shall not give points for prior success in achieving high quality service delivery to any current grantee that, during the then most recent period for which funds were provided, did not meet or exceed two or more objectives established in the eligible entity’s application based on the performance measures described in subsection (f).

“(iii) From the amounts awarded under subsection (g) for a program under this chapter (other than a program under sections 402G and 402H) for any fiscal year in which the Secretary conducts a competition for the award of grants or contracts under such programs, the Secretary shall reserve not less than 10 percent of such available amount to award grants or contracts to applicants who have not previously received a grant or contract under this chapter. If the Secretary determines that there are an insufficient number of qualified applicants to use the full amount reserved under the preceding sentence, the Secretary shall use the remainder of such amount to award grants or contracts to applicants who have previously received a grant or contract under this chapter.”;

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) by striking “as provided in subparagraph (B)” and inserting “as provided in subparagraph (C)”;

(II) by striking “experience” and inserting “success in achieving high quality service delivery”;

(ii) by redesignating subparagraph (B) as subparagraph (C); and

(iii) by inserting after subparagraph (A) the following new subparagraph:

“(B) To ensure that congressional priorities in conducting competitions for grants and contracts under this chapter are implemented, the Secretary shall not impose additional criteria for the prioritization of applications for such grants or contracts (including additional competitive, absolute, or other criteria) beyond the criteria described in this chapter.”;

(C) in paragraph (6)—

(i) by striking the period at the end of the second sentence and inserting “, as long as the program is serving a different population or a different campus.”;

- (ii) by striking “the programs authorized by” and inserting “sections 402B, 402C, 402D, and 402F of”;
- (iii) by striking “The Secretary shall encourage” and inserting the following:
 - “(A) The Secretary shall encourage”;
 - (iv) by striking “The Secretary shall permit” and inserting the following:
 - “(B) The Secretary shall permit”;
 - (D) in paragraph (7), by striking “8 months” each place it appears and inserting “90 days”;
 - (E) in paragraph (8)—
 - (i) in subparagraph (A)—
 - (I) in the matter preceding clause (i), by striking “Not later than 180 days after the date of enactment of the Higher Education Opportunity Act,” and inserting “Not later than 90 days before the commencement of each competition for a grant under this chapter.”;
 - (II) in clause (iii), by striking “prior experience points for high quality service delivery are awarded” and inserting “application scores are adjusted for prior success in achieving high quality service delivery”; and
 - (III) in clause (v), by striking “prior experience points for” and inserting “the adjustment in scores for prior success in achieving”;
 - (ii) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and
 - (iii) in subparagraph (B), as so redesignated—
 - (I) in clause (iii)—
 - (aa) in the matter preceding subclause (I), by striking “prior experience points for” and inserting “points for prior success in achieving”; and
 - (bb) in subclause (II), by striking “prior experience points” and inserting “points for prior success in achieving high quality service delivery”; and
 - (II) in clause (vi), by inserting before the period at the end the following: “from funds reserved under subsection (g)”;
- (F) by adding at the end the following:
 - “(9) MATCHING REQUIREMENT.—
 - “(A) IN GENERAL.—The Secretary shall not approve an application submitted under section 402B, 402C, 402D, 402E, or 402F unless such application—
 - “(i) provides that the eligible entity will provide, from State, local, institutional, or private funds, not less than 20 percent of the cost of the program, which matching funds may be provided in cash or in kind and may be accrued over the full duration of the grant award period, except that the eligible entity shall make substantial progress towards meeting the matching requirement in each year of the grant award period;
 - “(ii) specifies the methods by which matching funds will be paid; and
 - “(iii) includes provisions designed to ensure that funds provided under this chapter shall supplement and not supplant funds expended for existing programs.
 - “(B) SPECIAL RULE.—Notwithstanding the matching requirement described in subparagraph (A), the Secretary may by regulation modify the percentage requirement described in subparagraph (A). The Secretary may approve an eligible entity’s request for a reduced match percentage—
 - “(i) at the time of application if the eligible entity demonstrates significant economic hardship that precludes the eligible entity from meeting the matching requirement; or
 - “(ii) in response to a petition by an eligible entity subsequent to a grant award under section 402B, 402C, 402D, 402E, or 402F if the eligible entity demonstrates that the matching funds described in its application are no longer available and the eligible entity has exhausted all revenues for replacing such matching funds.”
- (2) in subsection (d)(3), by adding at the end the following new sentence: “In addition, the Secretary shall host at least one virtual, interactive education session using telecommunications technology to ensure that any interested applicants have access to technical assistance.”;
- (3) in subsection (e)—
 - (A) in paragraph (1)—
 - (i) in subparagraph (C), by striking “or” at the end;

- (ii) in subparagraph (D), by striking the period at the end and inserting “; or”; and
- (iii) by adding at the end the following new subparagraph:
 - “(E) documentation that the student has been determined to be eligible for a Federal Pell Grant under section 401.”; and
- (B) in paragraph (2)—
 - (i) in subparagraph (C), by striking “or” at the end;
 - (ii) in subparagraph (D), by striking the period at the end and inserting “; or”; and
 - (iii) by adding at the end the following new subparagraph:
 - “(E) documentation that the student has been determined to be eligible for a Federal Pell Grant under section 401.”;
- (4) in subsection (f)—
 - (A) in the heading of paragraph (1), by striking “PRIOR EXPERIENCE” and inserting “ACCOUNTABILITY FOR OUTCOMES”;
 - (B) in paragraph (1) by striking “experience of” and inserting “success in achieving”;
 - (C) in paragraph (3)—
 - (i) in subparagraph (A)—
 - (I) in clause (iv) by striking “rigorous secondary school program of study that will make such students eligible for programs such as the Academic Competitiveness Grants Program” and inserting “secondary school program of study that will prepare such students to enter postsecondary education without the need for remedial education”;
 - (II) by redesignating clauses (v) and (vi) as clauses (vi) and (vii), respectively; and
 - (III) by inserting after clause (iv) the following new clause:
 - “(v) the completion of financial aid applications, including the Free Application for Federal Student Aid described in section 483(a) and college admission applications.”;
 - (ii) in subparagraph (B)—
 - (I) by redesignating clauses (i), (ii), (iii), (iv), (v), (vi), and (vii) as subclauses (I), (II), (III), (IV), (VI), (VIII), and (IX), respectively;
 - (II) by inserting after subclause (IV), as so redesignated, the following:
 - “(V) the enrollment of such students into a general educational development (commonly known as a ‘GED’) program.”;
 - (III) in subclause (VI), as so redesignated, by striking “rigorous secondary school program of study that will make such students eligible for programs such as the Academic Competitiveness Grants Program” and inserting “secondary school program of study that will prepare such students to enter postsecondary education without the need for remedial education”;
 - (IV) by inserting after subclause (VI), as so redesignated, the following new subclause:
 - “(VII) the completion of financial aid applications, including the Free Application for Federal Student Aid described in section 483(a) and college admission applications.”;
 - (V) by striking “(B) For programs authorized under section 402C,” and inserting “(B)(i) For programs authorized under section 402C, except in the case of projects that specifically target veterans.”; and
 - (VI) by adding at the end the following new clause:
 - “(ii) For programs authorized under section 402C that specifically target veterans, the extent to which the eligible entity met or exceeded the entity’s objectives for such program with respect to—
 - “(I) the delivery of service to a total number of students served by the program, as agreed upon by the entity and the Secretary for the period;
 - “(II) such students’ academic performance, as measured by standardized tests;
 - “(III) the retention and completion of participants in the project;
 - “(IV) the provision of assistance to students served by the program in completing financial aid applications, including the Free Application for Federal Student Aid described in section 483(a) and college admission applications;
 - “(V) the enrollment of such students in an institution of higher education; and

- “(VI) to the extent practicable, the postsecondary education completion rate of such students.”;
- (iii) in subparagraph (C)(ii)—
- (I) in subclause (I), by striking “in which such students were enrolled” and inserting “within six years of the initial enrollment of such students in the program”;
- (II) in subclause (II);
- (aa) in the matter preceding item (aa), by striking “offer a baccalaureate degree” and inserting “primarily offer baccalaureate degrees”; and
- (bb) in item (aa), by striking “students; and” and inserting “students within 4 years of the initial enrollment of such students in the program; or”;
- (iv) in subparagraph (D)—
- (I) in clause (iii), by striking “; and” and inserting “within two years of receiving a baccalaureate degree.”;
- (II) in clause (iv), by striking “study and” and all that follows through the period and inserting “study; and”; and
- (III) by adding at the end the following new clause:
- “(v) the attainment of doctoral degrees by former program participants within 10 years of receiving a baccalaureate degree.”; and
- (v) in subparagraph (E)(ii), by inserting “, or re-enrollment,” after “enrollment”;
- (5) in subsection (g)—
- (A) in the first sentence, by striking “\$900,000,000 for fiscal year 2009 and such sums as may be necessary for” and inserting “\$900,000,000 for fiscal year 2019 and”;
- (B) in the second sentence—
- (i) by striking “no more than ½ of 1” and inserting “not more than 1”;
- (ii) by striking “and to provide technical” and inserting “to provide technical”; and
- (iii) by inserting before the period at the end the following: “, and to support applications funded under the process outlined in subsection (c)(8)(B)”;
- (C) by striking the last sentence; and
- (6) in subsection (h)—
- (A) by striking “(5) VETERAN ELIGIBILITY.—No veteran” and inserting the following:
- “(i) VETERAN ELIGIBILITY.—(1) No Veteran”;
- (B) in paragraph (6), by striking “of paragraph (5)” and inserting “of paragraph (1)”;
- (C) by striking “(6) WAIVER.—The Secretary” and inserting the following:
- “(2) The Secretary”.
- (b) TALENT SEARCH.—Section 402B (20 U.S.C. 1070a–12) is amended—
- (1) in subsection (a)—
- (A) in paragraph (2), by striking “and” at the end;
- (B) by redesignating paragraph (3) as paragraph (4); and
- (C) by inserting after paragraph (2) the following new paragraph:
- “(3) to advise such youths on the postsecondary institution selection process, including consideration of the financial aid awards offered and the potential loan burden required; and”;
- (2) in subsection (b)—
- (A) in paragraph (1), by inserting “and, where necessary, remedial education services” after “academic tutoring services”; and
- (B) by striking paragraph (6) and inserting the following:
- “(6) connections to education or counseling services designed to—
- “(A) improve the financial literacy and economic literacy of students or the students’ parents in order to aid them in making informed decisions about how to best finance their postsecondary education; and
- “(B) assist students and families regarding career choice.”;
- (3) in subsection (c)(2), by striking “career” and inserting “academic”; and
- (4) in subsection (d)—
- (A) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;
- (B) by inserting after paragraph (1) the following new paragraph:
- “(2) require an assurance that the remaining youths participating in the project proposed to be carried out in any application be low-income individuals,

first generation college students, or students who have a high risk for academic failure;”;

- (C) in paragraph (4), as so redesignated—
 - (i) by inserting “, section 402C,” after “under this section”; and
 - (ii) by striking “and” at the end;
 - (D) in paragraph (5), as so redesignated, by striking the period at the end and inserting “, and”; and
 - (E) by adding at the end the following:

“(6) require the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded programs serving similar populations to minimize the duplication of services.”.
- (c) UPWARD BOUND.—Section 402C (20 U.S.C. 1070a–13) is amended—
- (1) in subsection (b)—
 - (A) by striking paragraph (1) and inserting:

“(1) academic tutoring, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects and, where necessary, remedial education services, to enable students to complete secondary or postsecondary courses;”.
 - (B) in paragraph (4), by adding “and” at the end; and
 - (C) by striking paragraphs (5) and (6) and inserting the following:

“(5) education or counseling services designed to—

“(A) improve the financial literacy and economic literacy of students or the students’ parents in order to aid them in making informed decisions about how to best finance their postsecondary education; and

“(B) assist students and their families regarding career choice.”;
 - (2) in subsection (d)—
 - (A) in paragraph (1), by striking “youth” and inserting “participants”;
 - (B) in paragraph (2), by striking “youth participating in the project” and inserting “project participants”; and
 - (C) in paragraph (5), by striking “youth participating in the project” and inserting “project participants”;
 - (3) in subsection (e)—
 - (A) in paragraph (4), by striking “and” at the end;
 - (B) by redesignating paragraph (5) as paragraph (6); and
 - (C) by inserting after paragraph (4) the following:

“(5) require an assurance that individuals participating in the project proposed in any application do not have access to services from another project funded under this section, section 402B, or section 402F;”;
 - (D) in paragraph (6), as so redesignated, by striking the period at the end and inserting “, and”; and
 - (E) by adding at the end the following:

“(7) for purposes of minimizing the duplication of services, require that the grantee maintain, to the extent practicable, a record of any services received by participants during the program year from another program funded under this chapter, or any other Federally funded program that serves populations similar to the populations served by programs under this chapter.”.
 - (4) by striking subsection (g) and redesignating subsection (h) as subsection (g).
- (d) STUDENT SUPPORT SERVICES.—Section 402D (20 U.S.C. 1070a–14) is amended—
- (1) in subsection (a)(3), by inserting “low-income and first generation college students, including” after “success of”;
 - (2) in subsection (b)(4)—
 - (A) by striking “, including financial” and inserting “, including—
 - “(A) financial”; and
 - (B) by adding at the end the following:

“(B) basic personal income, household money management, and financial planning skills; and

“(C) basic economic decisionmaking skills;”;
 - (3) in subsection (e)—
 - (A) in paragraph (5), by striking “and” at the end;
 - (B) by redesignating paragraph (6) as paragraph (7);
 - (C) by inserting after paragraph (5) the following:

“(6) require the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded programs serving similar populations to minimize the duplication of services; and”.

(e) POSTBACCALAUREATE ACHIEVEMENT PROGRAM AUTHORITY.—Section 402E (20 U.S.C. 1070a–15) is amended—

(1) in subsection (b)(2), by striking “summer internships” and inserting “internships and faculty-led research experiences”; and

(2) in subsection (d)—

(A) in paragraph (3), by striking “and” at the end;

(B) in paragraph (4)—

(i) by striking “summer”;

(ii) by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(5) the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded program serving similar populations to minimize the duplication of services.”; and

(3) in subsection (g), by striking “2009 through 2014” and inserting “2019 through 2024”.

(f) EDUCATIONAL OPPORTUNITY CENTERS.—Section 402F (20 U.S.C. 1070a–16) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting “or re-enter” after “pursue”; and

(B) in paragraph (3), by striking “of students” and inserting “of such persons”;

(2) in subsection (b)(5), by striking “students;” and inserting the following: “students, including—

“(A) financial planning for postsecondary education;

“(B) basic personal income, household money management, and financial planning skills; and

“(C) basic economic decisionmaking skills;” and

(3) in subsection (c)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following new paragraph:

“(2) require an assurance that the remaining persons participating in the project proposed to be carried out under any application be low-income individuals or first generation college students;”;

(C) in paragraph (3), as so redesignated, by striking “and” at the end;

(D) in paragraph (4), as so redesignated, by striking the period at the end and inserting “; and”; and

(E) by adding at the end the following:

“(5) require the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded program serving similar populations to minimize the duplication of services.”.

(g) STAFF DEVELOPMENT ACTIVITIES.—Section 402G(b) (20 U.S.C. 1070a–17(b)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by inserting “webinars and online classes,” after “seminars, workshops;” and

(B) by striking “directors” and inserting “staff”; and

(2) in paragraph (3), by inserting “and innovative” after “model”.

(h) REPORTS, EVALUATIONS, AND GRANTS FOR PROJECT IMPROVEMENT AND DISSEMINATION.—Subsection (b) of section 402H (20 U.S.C. 1070a–18) is amended to read as follows:

“(b) EVALUATIONS.—

“(1) IN GENERAL.—For the purpose of improving the effectiveness of the programs assisted under this chapter, the Secretary shall make grants to or enter into contracts with one or more organizations to—

“(A) evaluate the effectiveness of the programs assisted under this chapter; and

“(B) disseminate information on the impact of the programs in increasing the education level of participants, as well as other appropriate measures.

“(2) ISSUES TO BE EVALUATED.—The evaluations described in paragraph (1) shall measure the effectiveness of programs funded under this chapter in—

“(A) meeting or exceeding the stated objectives regarding the outcome criteria under subsection (f) of section 402A;

“(B) enhancing the access of low-income individuals and first-generation college students to postsecondary education;

“(C) preparing individuals for postsecondary education;

“(D) comparing the level of education completed by students who participate in the programs funded under this chapter with the level of education completed by students of similar backgrounds who do not participate in such programs;

“(E) comparing the retention rates, dropout rates, graduation rates, and college admission and completion rates of students who participate in the programs funded under this chapter with the rates of students of similar backgrounds who do not participate in such programs; and

“(F) such other issues as the Secretary considers appropriate for inclusion in the evaluation.

“(3) PROGRAM METHODS.—Such evaluations shall also investigate the effectiveness of alternative and innovative methods within programs funded under this chapter of increasing access to, and retention of, students in postsecondary education.

“(4) RESULTS.—The Secretary shall submit to the authorizing committees—

“(A) an interim report on the progress and preliminary results of the evaluation of each program funded under this chapter not later than 2 years following the date of enactment of the PROSPER Act; and

“(B) a final report not later than 3 years following the date of enactment of such Act.

“(5) PUBLIC AVAILABILITY.—All reports and underlying data gathered pursuant to this subsection shall be made available to the public upon request, in a timely manner following submission of the applicable reports under this subsection, except that any personally identifiable information with respect to a student participating in a program or project assisted under this chapter shall not be disclosed or made available to the public.”

(i) IMPACT GRANTS.—Part A of title IV (20 U.S.C. 1070 et seq.) is amended by inserting after section 402H (20 U.S.C. 1070a–28) the following:

“SEC. 402I. IMPACT GRANTS.

“(a) IN GENERAL.—From funds reserved under subsection (e), the Secretary shall make grants to improve postsecondary access and completion rates for qualified individuals from disadvantaged backgrounds. These grants shall be known as innovative measures promoting postsecondary access and completion grants or ‘IMPACT Grants’ and allow eligible entities to—

“(1) create, develop, implement, replicate, or take to scale evidence-based, field-initiated innovations, including through pay-for-success initiatives, to serve qualified individuals from disadvantaged backgrounds and improve student outcomes; and

“(2) rigorously evaluate such innovations, in accordance with subsection (d).

“(b) DESCRIPTION OF GRANTS.—The grants described in subsection (a) shall include—

“(1) early-phase grants to fund the development, implementation, and feasibility testing of a program, which prior research suggests has a promise, for the purpose of determining whether the program can successfully improve postsecondary access and completion rates;

“(2) mid-phase grants to fund implementation and a rigorous evaluation of a program that has been successfully implemented under an early-phase grant described in paragraph (1); and

“(3) expansion grants to fund implementation and a rigorous replication evaluation of a program that has been found to produce sizable, important impacts under a mid-phase grant described in paragraph (2) for the purposes of—

“(A) determining whether such outcomes can be successfully reproduced and sustained over time; and

“(B) identifying the conditions in which the project is most effective.

“(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—To receive a grant under this section, an eligible entity shall submit an application to the Secretary at such time, and in such manner as the Secretary may require, which shall include—

“(1) an assurance that not less than two-thirds of the individuals who will participate in the program proposed to be carried out with the grant will be—

“(A) low-income individuals who are first generation college students; or

“(B) individuals with disabilities;

“(2) an assurance that any other individuals (not described in paragraph (1)) who will participate in such proposed program will be—

“(A) low-income individuals;

“(B) first generation college students; or

“(C) individuals with disabilities;

“(3) a detailed description of the proposed program, including how such program will directly benefit students;

“(4) the number of projected students to be served by the program;

“(5) how the program will be evaluated; and

“(6) an assurance that the individuals participating in the project proposed are individuals who do not have access to services from another programs funded under this section.

“(d) EVALUATION.—Each eligible entity receiving a grant under this section shall conduct an independent evaluation of the effectiveness of the program carried out with such grant and shall submit to the Secretary, on an annual basis, a report that includes—

“(1) a description of how funds received under this section were used;

“(2) the number of students served by the project carried out under this section; and

“(3) a quantitative analysis of the effectiveness of the project.

“(e) FUNDING.—From amounts appropriated under section 402A(g), the Secretary shall reserve not less than 10 percent of such funds to carry out this section.”.

SEC. 403. GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS.

(a) EARLY INTERVENTION AND COLLEGE AWARENESS PROGRAM.—Section 404A (20 U.S.C. 1070a–21) is amended—

(1) in subsection (a)(1), by striking “academic support” and inserting “academic support for college readiness”;

(2) in subsection (b)—

(A) in paragraph (1), by inserting “new” before “awards”; and

(B) in paragraph (3)—

(i) by amending subparagraph (A) to read as follows:

“(A) give priority to eligible entities that have a prior, demonstrated commitment to early intervention leading to college access and readiness through collaboration and replication of successful strategies; and”;

(ii) in subparagraph (B), by striking “the Higher Education Opportunity Act” and inserting “the PROSPER Act”; and

(C) by adding at the end the following:

“(4) MULTIPLE AWARD PROHIBITION.—Eligible entities described in subsection (c)(1) that receive a grant under this chapter shall not be eligible to receive an additional grant under this chapter until after the date on which the initial grant period expires.”.

(3) in subsection (c)(2)(B), by striking “institutions or agencies sponsoring programs authorized under subpart 4.”.

(b) APPLICATIONS.—Section 404C (20 U.S.C. 1070a–23) is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) in the matter preceding subparagraph (A)—

(I) by striking “, contain or be accompanied by such information or assurances,”; and

(II) by striking “, at a minimum”;

(ii) by amending subparagraph (B) to read as follows:

“(B) describe, in the case of an eligible entity described in section 404A(c)(2) that chooses to provide scholarships, or an eligible entity described in section 404A(c)(1)—

“(i) the eligible entity’s plan to establish or maintain a financial assistance program in accordance with the requirements of section 404E, including any eligibility criteria other than the criteria described in section 404E(g), such as—

“(I) demonstrating financial need;

“(II) meeting and maintaining satisfactory academic progress; and

“(III) other criteria aligned with State and local goals to increase postsecondary readiness, access, and completion; and

“(ii) how the eligible entity will meet the other requirements of section 404E;”;

(iii) by striking subparagraph (H); and

(iv) by redesignating subparagraphs (I) and (J) as subparagraphs (H) and (I), respectively; and

(2) in subsection (b), by striking paragraph (2) and inserting the following:

“(2) SPECIAL RULE.—Notwithstanding the matching requirement described in paragraph (1)(A), the Secretary may—

“(A) at the time of application—

“(i) approve a Partnership applicant’s request for a waiver of up to 75 percent of the matching requirement for up to two years if the applicant demonstrates in its application a significant economic hardship

that stems from a specific, exceptional, or uncontrollable event, such as a natural disaster, that has a devastating effect on the members of the Partnership and the community in which the project would operate;

“(ii)(I) approve a Partnership applicant’s request to waive up to 50 percent of the matching requirement for up to two years if the applicant demonstrates in its application a pre-existing and an on-going significant economic hardship that precludes the applicant from meeting its matching requirement; and

“(II) provide tentative approval of an applicant’s request for a waiver under subclause (I) for all remaining years of the project period;

“(iii) approve a Partnership applicant’s request in its application to match its contributions to its scholarship fund, established under section 404E, on the basis of two non-Federal dollars for every one dollar of Federal funds provided under this chapter; or

“(iv) approve a request by a Partnership applicant that has three or fewer institutions of higher education as members to waive up to 70 percent of the matching requirement if the Partnership applicant includes—

“(I) a fiscal agent that is eligible to receive funds under title V, or part B of title III, or section 316 or 317, or a local educational agency;

“(II) only participating schools with a 7th grade cohort in which at least 75 percent of the students are eligible for free or reduced-price lunch under the Richard B. Russell National School Lunch Act; and

“(III) only local educational agencies in which at least 50 percent of the students enrolled are eligible for free or reduced-price lunch under the Richard B. Russell National School Lunch Act; and

“(B) after a grant is awarded, approve a Partnership grantee’s written request for a waiver of up to—

“(i) 50 percent of the matching requirement for up to two years if the grantee demonstrates that—

“(I) the matching contributions described for those two years in the grantee’s approved application are no longer available; and

“(II) the grantee has exhausted all funds and sources of potential contributions for replacing the matching funds; or

“(ii) 75 percent of the matching requirement for up to two years if the grantee demonstrates that matching contributions from the original application are no longer available due to an uncontrollable event, such as a natural disaster, that has a devastating economic effect on members of the Partnership and the community in which the project would operate.

“(3) ADDITIONAL TERMS.—

“(A) ON-GOING ECONOMIC HARDSHIP.—In determining whether a Partnership applicant is experiencing an on-going economic hardship that is significant enough to justify a waiver under subparagraphs (A)(i) and (A)(ii)(I) of paragraph (2), the Secretary may consider documentation of the following:

“(i) Severe distress in the local economy of the community to be served by the grant (e.g., there are few employers in the local area, large employers have left the local area, or significant reductions in employment in the local area).

“(ii) Local unemployment rates that are higher than the national average.

“(iii) Low or decreasing revenues for State and County governments in the area to be served by the grant.

“(iv) Significant reductions in the budgets of institutions of higher education that are participating in the grant.

“(v) Other data that reflect a significant economic hardship for the geographical area served by the applicant.

“(B) EXHAUSTION OF FUNDS.—In determining whether a Partnership grantee has exhausted all funds and sources of potential contributions for replacing matching funds under paragraph (2)(B), the secretary may consider the grantee’s documentation of key factors that have had a direct impact on the grantee such as the following:

“(i) A reduction of revenues from State government, County government, or the local educational agency.

“(ii) An increase in local unemployment rates.

“(iii) Significant reductions in the operating budgets of institutions of higher education that are participating in the grant.

- “(iv) A reduction of business activity in the local area (e.g., large employers have left the local area).
- “(v) Other data that reflect a significant decrease in resources available to the grantee in the local geographical area served by the grantee.
- “(C) RENEWAL OF WAIVER.—A Partnership applicant that receives a tentative approval of a waiver under subparagraph (A)(ii)(II) of paragraph (2) for more than two years under this paragraph must submit to the Secretary every two years by such time as the Secretary may direct documentation that demonstrates that—
- “(i) the significant economic hardship upon which the waiver was granted still exists; and
- “(ii) the grantee tried diligently, but unsuccessfully, to obtain contributions needed to meet the matching requirement.
- “(D) MULTIPLE WAIVERS.—If a grantee has received one or more waivers under paragraph (2), the grantee may request an additional waiver of the matching requirement under this subsection not earlier than 60 days before the expiration of the grantee’s existing waiver.”.
- (c) ACTIVITIES.—Section 404D (20 U.S.C. 1070a–24) is amended—
- (1) in subsection (a)—
- (A) in paragraph (1), by striking “financial aid for” and inserting “financial aid, including loans, grants, scholarships, and institutional aid for”;
- (B) in paragraph (2) by striking “rigorous and challenging curricula and coursework, in order to” and inserting “curricula and coursework designed to”;
- (C) by redesignating paragraphs (3) and (4) as paragraphs (5) and (6), respectively;
- (D) by inserting after paragraph (2) the following:
- “(3) Providing information to students and families about the advantages of obtaining a postsecondary education.
- “(4) Providing tutors and mentors, who may include adults or former participants of a program under this chapter, for use by eligible students in need.”;
- (E) in paragraph (5), as so redesignated, by striking “Improving” and inserting “Providing supportive services to improve”; and
- (2) in subsection (b)—
- (A) by striking paragraph (1); and
- (B) by redesignating paragraphs (2) through (15) as paragraphs (1) through (14), respectively;
- (C) in paragraph (3), as so redesignated, by striking “rigorous” each place it appears;
- (D) in paragraph (9), as so redesignated—
- (i) by redesignating subparagraphs (E) through (K) as subparagraphs (F) through (L), respectively;
- (ii) by inserting after subparagraph (D) the following:
- “(E) providing counseling or referral services to address the behavioral, social-emotional, and mental health needs of at-risk students.”;
- (iii) in subparagraph (I), as so redesignated, by striking “skills assessments” and inserting “skills, cognitive, non-cognitive, and credit-by-examination assessments”;
- (iv) in subparagraph (K), as so redesignated, by striking “and” at the end;
- (v) in subparagraph (L), as so redesignated, by striking the period at the end and inserting “; and”; and
- (vi) by adding at the end the following:
- “(M) capacity building activities that create college-going cultures in participating schools and local education agencies.”; and
- (E) by adding at the end the following:
- “(15) Creating or expanding drop-out recovery programs that allow individuals who drop out of school to complete a regular secondary school diploma and begin college-level work.”;
- (3) in subsection (c)—
- (A) in paragraph (3), by inserting “and technical assistance” after “administrative support”; and
- (B) by striking paragraph (9); and
- (4) in subsection (e), by striking “institutions and agencies sponsoring programs authorized under subpart 4.”.
- (d) SCHOLARSHIP REQUIREMENTS.—Section 404E (20 U.S.C. 1070a–25) is amended—
- (1) in subsection (a)(1), by inserting “described in section 404C(a)(2)(B)(i)” after “financial assistance program”; and

(2) in subsection (e)(1), by striking “an amount” and all that follows through the period at the end and inserting the following: “an estimated amount that is based on the requirements of the financial assistance program of the eligible entity described in section 404C(a)(2)(B)(i).”

(e) EVALUATION AND REPORT.—Section 404G(b) (20 U.S.C. 1070a–27(b)) is amended—

- (1) in paragraph (1), by striking “and” at the end;
- (2) in paragraph (2), by striking the period at the end and inserting “; and”
- (3) by adding after paragraph (2) the following:
 - “(3) include the following metrics:
 - “(A) the number of students completing the Free Application for Federal Student Aid;
 - “(B) the enrollment of participating students in curricula and coursework designed to reduce the need for remedial coursework at the postsecondary level;
 - “(C) if applicable, the number of students receiving a scholarship;
 - “(D) the graduation rate of participating students from high school;
 - “(E) the enrollment of participating students into postsecondary education; and
 - “(F) such other information as the Secretary may require.”

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 404H (20 U.S.C. 1070a–28) is amended by striking “\$400,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years” and inserting “\$339,754,000 for fiscal year 2019 and each of the five succeeding fiscal years”.

SEC. 404. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK.

Section 418A(i) (20 U.S.C. 1070d–2(i)) is amended by striking “\$75,000,000” and all that follows through the period at the end and inserting “\$44,623,000 for each of fiscal years 2019 through 2024.”.

SEC. 405. CHILD CARE ACCESS MEANS PARENTS IN SCHOOL.

Section 419N (20 U.S.C. 1070e) is amended—

- (1) in the heading of paragraph (6) of subsection (b), by striking “CONSTRUCTION” and inserting “RULE OF CONSTRUCTION”; and
- (2) in subsection (c)—
 - (A) in paragraph (4), by striking “assisted” and inserting “funded”;
 - (B) in paragraph (5)—
 - (i) by striking “resources, including technical expertise” and inserting “resources, including non-Federal resources, technical expertise,”;
 - (ii) by striking “the use of the” and inserting “these”; and
 - (C) in paragraph (9)—
 - (i) by inserting “provisional status,” after “approval,”; and
 - (ii) by striking “; and” and inserting “prior to serving children and families; and”;
- (3) in subsection (d)—
 - (A) in paragraph (1)—
 - (i) by striking “local” and inserting “non-Federal, local,”; and
 - (ii) by striking “and” at the end;
 - (B) in paragraph (2), by striking the period at the end and inserting “; and”;
 - (C) by adding at the end the following:
 - “(3) coordinate with other community programs where appropriate to improve the quality and limit cost of the campus-based program.”;
 - (4) by amending subsection (e) to read as follows:

“(e) REPORTING REQUIREMENTS; CONTINUING ELIGIBILITY.—

“(1) REPORTING REQUIREMENTS.—

“(A) REPORTS.—Each institution of higher education receiving a grant under this section shall report to the Secretary annually. The Secretary shall annually publish such reports on a publicly accessible website of the Department of Education.

“(B) CONTENTS.—Each report shall include—

- “(i) data on the population served under this section, including the total number of children and families served;
- “(ii) information on sources of campus and community resources and the amount of non-Federal funding used to help low-income students access child care services on campus;
- “(iii) documentation that the program meets applicable licensing, certification, approval, or registration requirements; and

“(iv) a description of how funding was used to pursue the goals of this section determined by the institution under subsection (c).

“(2) CONTINUING ELIGIBILITY.—The Secretary shall make continuation awards under this section to an institution of higher education only if the Secretary determines, on the basis of the reports submitted under paragraph (1) and the application from the institution, that the institution is—

- “(A) using funds only for authorized purposes;
 - “(B) providing low-income students at the institution with priority access to affordable, quality child care services as provided under this section; and
 - “(C) documenting a continued need for Federal funding under this section, while demonstrating how non-federal sources will be leveraged to support a continuation award.”; and
- (5) in subsection (g), by striking “such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years” and inserting “\$15,134,000 for each of fiscal years 2019 through 2024”.

SEC. 406. REPEALS.

(a) **ACADEMIC COMPETITIVENESS GRANTS.**—Section 401A (20 U.S.C. 1070a–1) is repealed.

(b) **FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS.**—

(1) **REPEAL.**—Subpart 3 of part A of title IV (20 U.S.C. 1070b et seq.) is repealed.

(2) **EFFECTIVE DATE.**—The repeal made by paragraph (1) shall take effect on June 30, 2018.

(3) **APPROPRIATIONS.**—Notwithstanding paragraphs (1) and (2), sums appropriated under section 413A for fiscal year 2018 shall be available for payments to institutions of higher education under such section (as in effect on June 29, 2018) until the end of fiscal year 2019.

(c) **LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.**—Subpart 4 of part A of title IV (20 U.S.C. 1070c et seq.) is repealed.

(d) **ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM.**—Subpart 6 of part A of title IV (20 U.S.C. 1070d–31 et seq.) is repealed.

SEC. 407. SUNSET OF TEACH GRANTS.

Subpart 9 of part A of title IV (20 U.S.C. 1070g) is amended—

(1) in section 420L(1) (20 U.S.C. 1070g(1)), by striking “section 102” and inserting “section 102 (as in effect on the day before the date of enactment of the PROSPER Act)”;

(2) in section 420N (20 U.S.C. 1070g–2)—

(A) by amending subparagraph (B) of subsection (b)(1) to read as follows:

“(B) teach—

“(i) in a public or other nonprofit private elementary school or secondary school, which, for the purpose of this paragraph and for that year—

“(I) has been determined by the Secretary (pursuant to regulations of the Secretary and after consultation with the State educational agency of the State in which the school is located) to be a school in which the number of children meeting a measure of poverty under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6313(a)(5)), exceeds 30 percent of the total number of children enrolled in such school; and

“(II) is in the school district of a local educational agency which is eligible in such year for assistance pursuant to part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.); or

“(ii) in one or more public, or nonprofit private, elementary schools or secondary schools or locations operated by an educational service agency that have been determined by the Secretary (pursuant to regulations of the Secretary and after consultation with the State educational agency of the State in which the educational service agency operates) to be a school or location at which the number of children taught who meet a measure of poverty under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6313(a)(5)), exceeds 30 percent of the total number of children taught at such school or location;”;

(B) in subsection (c), by inserting “(as in effect on the day before the date of the enactment of the PROSPER Act)” after “part D of title IV”;

(3) in section 420M(a) (20 U.S.C. 1070g–1), by adding at the end the following:

“(3) **TERMINATION.**—

“(A) TERMINATION OF PROGRAM AUTHORITY.—Except as provided in paragraph (4), no new grants may be made under this subpart after June 30, 2018.

“(B) LIMITATION ON FUNDS.—

“(i) IN GENERAL.—No funds are authorized to be appropriated, and no funds may be obligated or expended under this Act or any other Act, to make a grant to a new recipient under this subpart.

“(ii) NEW RECIPIENT DEFINED.—For purposes of this subparagraph, the term ‘new recipient’ means a teacher candidate who has not received a grant under this subpart for which the first disbursement was on or before June 30, 2018.

“(4) STUDENT ELIGIBILITY BEGINNING WITH AWARD YEAR 2018.—With respect to a recipient of a grant under this subpart for which the first disbursement was made on or before June 30, 2018, such recipient may receive additional grants under this subpart until the earlier of—

“(A) the date on which the recipient completes the course of study for which the recipient received the grant for which the first disbursement was made on or before June 30, 2018; or

“(B) the date on which the recipient receives the total amount that the recipient may receive under this subpart in accordance with subsection (d).”; and

(4) in section 4200 (20 U.S.C. 1070g–3)—

(A) by striking “2008” and inserting “2008, and ending on June 30, 2018”;

and

(B) by adding at the end the following: “Except as provided in section 420M(a)(4), no funds shall be available to the Secretary to carry out this subpart after June 30, 2018.”.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

SEC. 421. FEDERAL DIRECT CONSOLIDATION LOANS.

Section 428C (20 U.S.C. 1078–3) is amended—

(1) in subsection (a)(4)(B), by inserting before the semicolon at the end “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act”; and

(2) in subsection (b)(1)(F)(ii)—

(A) in the matter preceding subclause (I), by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act” after “part E”;

(B) in subclause (I), in the matter preceding item (aa), by inserting “, as so in effect,” after “part E”;

(C) in subclause (I)(bb), by inserting “, as so in effect” after “section 464(c)(1)(A)”;

(D) in subclause (II), by inserting “, as so in effect” after “section 465(a)”;

and

(E) in subclause (III)—

(i) by inserting “, as so in effect” after “section 465”; and

(ii) by inserting “, as so in effect” after “465(a)”.

SEC. 422. LOAN REHABILITATION.

Section 428F(a)(5) (20 U.S.C. 1078–6) is amended by striking “one time” and inserting “two times”.

SEC. 423. LOAN FORGIVENESS FOR TEACHERS.

Section 428J(b)(1)(A) (20 U.S.C. 1078–10(b)(1)(A)) is amended by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools or locations” and inserting “described in section 420N(b)(1)(B)”.

SEC. 424. LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEED.

Section 428K (20 U.S.C. 1078–11) is amended—

(1) in subsection (b)—

(A) in paragraph (4)(B), by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)”;

(B) in paragraph (5)(B)(ii), by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)”;

(C) in paragraph (7)(A), by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)”;

(D) in paragraph (8)(B), by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)” ; and

(E) in paragraph (16), by striking “that qualify under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)” ; and

(2) in subsection (g)(6)(B), by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school” and inserting “described in section 420N(b)(1)(B)”.

SEC. 425. LOAN REPAYMENT FOR CIVIL LEGAL ASSISTANCE ATTORNEYS.

Section 428L(b)(2)(A) (20 U.S.C. 1078–12(b)(2)(A)) is amended—

(1) in clause (i), by inserting before the semicolon at the end “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act”; and

(2) in clause (ii)(III), by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act” after “part E”;

SEC. 426. SUNSET OF COHORT DEFAULT RATE AND OTHER CONFORMING CHANGES.

(a) REQUIREMENTS FOR THE SECRETARY.—Section 430(e) (20 U.S.C. 1080(e)) is amended by adding at the end the following:

“(4) SUNSET.—The Secretary shall not be subject to the requirements of this subsection after the transition period described in section 481B(e)(3).”

(b) ELIGIBLE INSTITUTION DEFINED.—Section 435 (20 U.S.C. 1085) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “section 102” and inserting “sections 101 and 102”; and

(B) by adding at the end the following:

“(9) SUNSET.—No institution shall be subject to paragraph (2) after the transition period described in section 481B(e)(3).”;

(2) in subsection (m), by adding at the end the following:

“(5) TRANSITION PERIOD; SUNSET.—

“(A) TRANSITION PERIOD.—During the transition period, the cohort default rate for an institution shall be calculated in the manner described in section 481B(e)(1).

“(B) SUNSET.—The Secretary shall not be subject, and no institution shall be subject, to the requirements of this subsection after the transition period.

“(C) DEFINITION.—In this paragraph, the term ‘transition period’ has the meaning given the term in section 481B(e)(3).”;

(3) in subsection (o)(1), by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act” after “part E”.

SEC. 427. ADDITIONAL DISCLOSURES.

Section 433(a) (20 U.S.C. 1083(a)) is amended—

(1) in the matter preceding paragraph (1), by striking the second sentence and inserting “Any disclosure required by this subsection shall be made on the Plain Language Disclosure Form developed by the Secretary under section 455(p).”;

(2) in paragraph (4), by striking “the origination fee and” and inserting “finance charges, the origination fee, and”;

(3) by redesignating paragraphs (6) through (19) as paragraphs (7) through (20), respectively; and

(4) by inserting after paragraph (5), the following:

“(6) the annual percentage rate of the loan, as calculated using the standard 10-year repayment term, and how interest accrues and is capitalized during periods when the interest is not paid by the borrower.”;

SEC. 428. CLOSED SCHOOL AND OTHER DISCHARGES.

Section 437(c) (20 U.S.C. 1087) is amended—

(1) in paragraph (1), by inserting “and the borrower meets the applicable requirements of paragraphs (6) through (8),” after “such student’s lender.”;

(2) in paragraph (4), by inserting before the period at the end “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act”; and

(3) by adding at the end the following:

“(6) BORROWER QUALIFICATIONS FOR A CLOSED SCHOOL DISCHARGE.—

“(A) IN GENERAL.—In order to qualify for the discharge of a loan under this subsection due to the closure of the institution in which the borrower was enrolled, a borrower shall submit to the Secretary a written request and sworn statement—

“(i) that contains true factual assertions;

“(ii) that is made by the borrower under penalty of perjury, and that may or may not be notarized;

“(iii) under which the borrower (or the student on whose behalf a parent borrowed) states—

“(I) that the borrower or the student—

“(aa) received, on or after January 1, 1986, the proceeds of a loan made, insured, or guaranteed under this title to attend a program of study at an institution of higher education;

“(bb)(AA) did not complete the program of study because the institution closed while the student was enrolled; or

“(BB) the student withdrew from the institution not more than 120 days before the institution closed, or in the case of exceptional circumstances described in subparagraph (B), not more than the period by which such 120-day period is extended under such subparagraph; and

“(cc) attempted but was unable to complete the program of study through a teach-out at another institution or by transferring academic credits or hours earned at the closed institution to another institution;

“(II) whether the borrower (or the student) has made a claim with respect to the institutions’s closing with any third party, such as the holder of a performance bond or a tuition recovery program, and, if so, the amount of any payment received by the borrower (or the student) or credited to the borrower’s loan obligation; and

“(III) that the borrower (or the student)—

“(aa) agrees to provide to the Secretary or the holder of the loan upon request other documentation reasonably available to the borrower that demonstrates that the borrower meets the qualifications for discharge under this subsection; and

“(bb) agrees to cooperate with the Secretary in enforcement actions in accordance with subparagraph (C) and to transfer any right to recovery against a third party to the Secretary in accordance with subparagraph (D).

“(B) EXCEPTIONAL CIRCUMSTANCES.—

“(i) IN GENERAL.—The Secretary may extend the 120-day period described in subparagraph (A)(iii)(I)(bb)(BB) if the Secretary determines that exceptional circumstances related to an institution’s closing justify an extension.

“(ii) DEFINITION.—For purposes of this subsection, the term ‘exceptional circumstances’, when used with respect to an institution that closed, includes the loss of accreditation of institution, the institutions’s discontinuation of the majority of its academic programs, action by the State to revoke the institution’s license to operate or award academic credentials in the State, or a finding by a State or Federal Government agency that the institution violated State or Federal law.

“(C) COOPERATION BY BORROWER IN ENFORCEMENT ACTIONS.—

“(i) IN GENERAL.—In order to obtain a discharge described in subparagraph (A), a borrower shall cooperate with the Secretary in any judicial or administrative proceeding brought by the Secretary to recover amounts discharged or to take other enforcement action with respect to the conduct on which the discharge was based. At the request of the Secretary and upon the Secretary’s tendering to the borrower the fees and costs that are customarily provided in litigation to reimburse witnesses, the borrower shall—

“(I) provide testimony regarding any representation made by the borrower to support a request for discharge;

“(II) produce any documents reasonably available to the borrower with respect to those representations; and

“(III) if required by the Secretary, provide a sworn statement regarding those documents and representations.

“(ii) DENIAL OF REQUEST FOR DISCHARGE.—The Secretary shall deny the request for such a discharge or revoke the discharge of a borrower who—

“(I) fails to provide the testimony, documents, or a sworn statement required under clause (i); or

“(II) provides testimony, documents, or a sworn statement that does not support the material representations made by the borrower to obtain the discharge.

“(D) TRANSFER TO THE SECRETARY OF BORROWER’S RIGHT OF RECOVERY AGAINST THIRD PARTIES.—

“(i) IN GENERAL.—Upon receiving a discharge described in subparagraph (A) of a loan, the borrower shall be deemed to have assigned to and relinquished in favor of the Secretary any right to a loan refund for such loan (up to the amount discharged) that the borrower (or student) may have by contract or applicable law with respect to the loan or the enrollment agreement for the program for which the loan was received, against the institution, its principals, its affiliates and their successors, its sureties, and any private fund, including the portion of a public fund that represents funds received from a private party.

“(ii) APPLICATION.—The provisions of this subsection apply notwithstanding any provision of State law that would otherwise restrict transfer of such rights by the borrower (or student), limit, or prevent a transferee from exercising such rights, or establish procedures or a scheme of distribution that would prejudice the Secretary’s ability to recover on such rights.

“(iii) RULE OF CONSTRUCTION.—Nothing in this subsection shall limit or foreclose the borrower’s (or student’s) right to pursue legal and equitable relief regarding disputes arising from matters unrelated to the discharged loan.

“(E) DISCHARGE PROCEDURES.—

“(i) IN GENERAL.—After confirming the date of an institution’s closure, the Secretary shall identify any borrower (or student on whose behalf a parent borrowed) who appears to have been enrolled at the institution on the closure date of the institution or to have withdrawn not more than 120 days prior to the closure date (or in the case of exceptional circumstances described in subparagraph (B), not more than the period by which such 120-day period is extended under such subparagraph. In the case of a loan made, insured, or guaranteed under this part, a guaranty agency shall notify the Secretary immediately whenever it becomes aware of reliable information indicating an institution may have closed.

“(ii) BORROWER ADDRESS.—

“(I) KNOWN.—If the borrower’s current address is known, the Secretary shall mail the borrower a discharge application and an explanation of the qualifications and procedures for obtaining a discharge. The Secretary or the guaranty agency shall promptly suspend any efforts to collect from the borrower on any affected loan. The Secretary may continue to receive borrower payments of the loan for which the discharge application has been filed.

“(II) UNKNOWN.—If the borrower’s current address is unknown, the Secretary shall attempt to locate the borrower and determine the borrower’s potential eligibility for a discharge described in subparagraph (A) by consulting with representatives of the closed institution, the institution’s licensing agency, the institution’s accrediting agency, and other appropriate parties. If the Secretary learns the new address of a borrower, the Secretary shall mail to the borrower a discharge application and explanation, and shall suspend collection on the loan, as described in subclause (I).

“(iii) SWORN STATEMENT.—If a borrower fails to submit the written request and sworn statement described subparagraph (A) not later than 60 days after date on which the Secretary mails the discharge application under clause (ii), the Secretary—

“(I) shall resume collection on the loan and grant forbearance of principal and interest for the period in which collection activity was suspended; and

“(II) may capitalize any interest accrued and not paid during such period.

“(iv) NOTIFICATION.—

“(I) QUALIFICATIONS MET.—If the Secretary determines that a borrower who requests a discharge described in subparagraph (A) meets the qualifications for such a discharge, the Secretary shall—

“(aa) notify the borrower in writing of that determination; and

“(bb) not regard a borrower who has defaulted on a loan that has been so discharged as in default on the loan after such discharge, and such a borrower shall be eligible to receive assistance under this title.

“(II) QUALIFICATIONS NOT MET.—If the Secretary determines that a borrower who requests a discharge described in subparagraph (A) does not meet the qualifications for such a discharge, the Secretary or guaranty agency shall resume collection on the loan and notify the borrower in writing of that determination and the reasons for the determination.

“(7) BORROWER QUALIFICATIONS FOR A FALSE CERTIFICATION DISCHARGE.—

“(A) APPLICATION.—

“(i) IN GENERAL.—In order to qualify for false certification discharge under this subsection, the borrower shall submit to the Secretary, on a form approved by the Secretary, an application for discharge that—

“(I) does not need not be notarized, but shall be made by the borrower under penalty of perjury; and

“(II) demonstrates to the satisfaction of the Secretary that the requirements in subparagraphs (B) through (G) have been met.

“(ii) NOTIFICATION.—If the Secretary determines the application does not meet the requirements of clause (i), the Secretary shall notify the applicant and explain why the application does not meet the requirements.

“(B) HIGH SCHOOL DIPLOMA OR EQUIVALENT.—In the case of a borrower requesting a false certification discharge based on not having had a high school diploma and not having met the alternative to graduation from high school eligibility requirements under section 484(d) applicable at the time the loan was originated, and the institution or a third party to which the institution referred the borrower falsified the student’s high school diploma, the borrower shall state in the application that the borrower (or the student on whose behalf a parent borrowed)—

“(i) reported not having a valid high school diploma or its equivalent at the time the loan was certified; and

“(ii) did not satisfy the alternative to graduation from high school statutory or regulatory eligibility requirements identified on the application form and applicable at the time the institution certified the loan.

“(C) DISQUALIFYING CONDITION.—In the case of a borrower requesting a false certification discharge based on a condition that would disqualify the borrower from employment in the occupation that the program for which the borrower received the loan was intended, the borrower shall state in the application that the borrower (or student on whose behalf the parent borrowed) did not meet State requirements for employment (in the student’s State of residence) in the occupation that the program for which the borrower received the loan was intended because of a physical or mental condition, age, criminal record, or other reason accepted by the Secretary.

“(D) UNAUTHORIZED LOAN.—In the case of a borrower requesting a discharge under this subsection because the institution signed the borrower’s name on the loan application or promissory note without the borrower’s authorization, the borrower shall—

“(i) state that the borrower did not sign the document in question or authorize the institution to do so; and

“(ii) provide 5 different specimens of the borrower’s signature, 2 of which must be within one year before or after the date of the contested signature.

“(E) UNAUTHORIZED PAYMENT.—In the case of a borrower requesting a false certification discharge because the institution, without the borrower’s authorization, endorsed the borrower’s loan check or signed the borrower’s authorization for electronic funds transfer, the borrower shall—

“(i) state that the borrower did not endorse the loan check or sign the authorization for electronic funds transfer or authorize the institution to do so;

“(ii) provide 5 different specimens of the borrower’s signature, 2 of which must be within one year before or after the date of the contested signature; and

“(iii) state that the proceeds of the contested disbursement were not delivered to the borrower or applied to charges owed by the borrower to the institution.

- “(F) IDENTITY THEFT.—
- “(i) IN GENERAL.—In the case of an individual whose eligibility to borrow was falsely certified because the individual was a victim of the crime of identity theft and is requesting a discharge, the individual shall—
- “(I) certify that the individual did not sign the promissory note, or that any other means of identification used to obtain the loan was used without the authorization of the individual claiming relief;
- “(II) certify that the individual did not receive or benefit from the proceeds of the loan with knowledge that the loan had been made without the authorization of the individual;
- “(III) provide a copy of a local, State, or Federal court verdict or judgment that conclusively determines that the individual who is named as the borrower of the loan was the victim of a crime of identity theft; and
- “(IV) if the judicial determination of the crime does not expressly state that the loan was obtained as a result of the crime of identity theft, provide—
- “(aa) authentic specimens of the signature of the individual, as described in subparagraph (D)(ii), or of other means of identification of the individual, as applicable, corresponding to the means of identification falsely used to obtain the loan; and
- “(bb) statement of facts that demonstrate, to the satisfaction of the Secretary, that eligibility for the loan in question was falsely certified as a result of the crime of identity theft committed against that individual.
- “(ii) DEFINITIONS.—For purposes of this subparagraph:
- “(I) IDENTITY THEFT.—The term ‘identity theft’ means the unauthorized use of the identifying information of another individual that is punishable under section 1028, 1028A, 1029, or 1030 of title 18, United States Code, or substantially comparable State or local law.
- “(II) IDENTIFYING INFORMATION.—The term ‘identifying information’ includes—
- “(aa) name, Social Security number, date of birth, official State or government issued driver’s license or identification number, alien registration number, government passport number, and employer or taxpayer identification number;
- “(bb) unique biometric data, such as fingerprints, voiceprint, retina or iris image, or unique physical representation;
- “(cc) unique electronic identification number, address, or routing code; or
- “(dd) telecommunication identifying information or access device (as defined in 18 U.S.C. 1029(e)) borrower qualifications for a false certification discharge
- “(G) CLAIM TO THIRD PARTY.—The borrower shall state whether the borrower has made a claim with respect to the institutions’s false certification or unauthorized payment with any third party, such as the holder of a performance bond or a tuition recovery program, and, if so, the amount of any payment received by the borrower or credited to the borrower’s loan obligation.
- “(H) COOPERATION WITH THE SECRETARY.—The borrower shall state that the borrower—
- “(i) agrees to provide to the Secretary upon request other documentation reasonably available to the borrower that demonstrates that the borrower meets the qualifications for discharge under this subsection; and
- “(ii) agrees to cooperate with the Secretary in enforcement actions and to transfer any right to recovery against a third party to the Secretary.
- “(8) BORROWER QUALIFICATIONS FOR AN UNPAID REFUND DISCHARGE.—To receive an unpaid refund discharge of a portion of a loan under this subsection, a borrower shall submit to the holder or guaranty agency a written application—
- “(A) that requests the information required to calculate the amount of the discharge;
- “(B) that the borrower signs for the purpose of swearing to the accuracy of the information;

“(C) that is made by the borrower under penalty of perjury, and that may or may not be notarized;

“(D) under which the borrower states—

“(i) that the borrower—

“(I) received, on or after January 1, 1986, the proceeds of a loan, in whole or in part, made, insured, or guaranteed under this title to attend an institution of higher education;

“(II) did not attend, withdrew, or was terminated from the institution within a timeframe that entitled the borrower to a refund; and

“(III) did not receive the benefit of a refund to which the borrower was entitled either from the institution or from a third party, such as the holder of a performance bond or a tuition recovery program;

“(ii) whether the borrower has any other application for discharge pending for this loan; and

“(iii) that the borrower—

“(I) agrees to provide to the Secretary upon request other documentation reasonably available to the borrower that demonstrates that the borrower meets the qualifications for discharge under this subsection; and

“(II) agrees to cooperate with the Secretary in enforcement actions and to transfer any right to recovery against a third party to the Secretary.”.

PART C—FEDERAL WORK-STUDY PROGRAMS

SECTION 441. PURPOSE; AUTHORIZATION OF APPROPRIATIONS.

Section 441 (20 U.S.C. 1087–51) is amended—

(1) in subsection (a)—

(A) by striking “part-time” and inserting “paid”;

(B) by striking “, graduate, or professional”; and

(C) by striking “community service” and inserting “work-based learning”;

(2) in subsection (b), by striking “part, such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.” and inserting “part, \$1,722,858,000 for fiscal year 2019 and each of the 5 succeeding fiscal years.”; and

(3) by amending subsection (c) to read as follows:

“(c) WORK-BASED LEARNING.—For purposes of this part, the term ‘work-based learning’ means paid interactions with industry or community professionals in real workplace settings that foster in-depth, first-hand engagement with the tasks required of a given career field, that are aligned to a student’s field of study.”.

SEC. 442. ALLOCATION FORMULA.

Section 442 (20 U.S.C. 1087–52) is amended to read as follows:

“SEC. 442. ALLOCATION OF FUNDS.

“(a) RESERVATIONS.—

“(1) RESERVATION FOR IMPROVED INSTITUTIONS.—

“(A) AMOUNT OF RESERVATION FOR IMPROVED INSTITUTIONS.—For a fiscal year in which the amount appropriated under section 441(b) exceeds \$700,000,000, the Secretary shall—

“(i) reserve the lesser of—

“(I) an amount equal to 20 percent of the amount by which the amount appropriated under section 441(b) exceeds \$700,000,000; or

“(II) \$150,000,000; and

“(ii) allocate the amount reserved under clause (i) to each improved institution in an amount—

“(I) that bears the same proportion to the amount reserved under clause (i) as the total amount of all Federal Pell Grant funds awarded at the improved institution for the second preceding fiscal year bears to the total amount of Federal Pell Grant funds awarded at improved institutions participating under this part for the second preceding fiscal year; and

“(II) is not—

“(aa) less than \$10,000; or

“(bb) greater than \$1,500,000.

“(B) IMPROVED INSTITUTION DESCRIBED.—For purposes of this paragraph, an improved institution is an institution that, on the date the Secretary makes an allocation under subparagraph (A)(ii) is, with respect to—

“(i) the completion rate or graduation rate of Federal Pell Grant recipients at the institution, in the top 10 percent of—

“(I) if the institution is an institution described in any of clauses (iv) through (ix) of section 132(d)(1)(B), all such institutions participating under this part for the preceding fiscal year; or

“(II) if the institution is an institution described in any of clauses (i) through (iii) of section 132(d)(1)(B), all such institutions participating under this part for the preceding fiscal year; or

“(ii) the improvement of the completion rate or graduation rate between the preceding fiscal year and such date, in the top 10 percent of the institutions described in clause (i).

“(C) COMPLETION RATE OR GRADUATION RATE.—For purposes of determining the completion rate or graduation rate under this section, a Federal Pell Grant recipient shall be counted as a completer or graduate if, within the normal time for completion or graduation from the program, the student has completed or graduated from the program, or enrolled in any program of an institution participating in any program under this title for which the prior program provides substantial preparation.

“(D) REALLOCATION OF RETURNED AMOUNT.—If an institution returns to the Secretary any portion of the sums allocated to such institution under this paragraph for any fiscal year, the Secretary shall reallocate such excess to improved institutions on the same basis as under subparagraph (A)(ii)(I).

“(2) RESERVATION FOR WORK COLLEGES.—From the amounts appropriated under section 441(b), the Secretary shall reserve to carry out section 448 such amounts as may be necessary for fiscal year 2019 and each of the 5 succeeding fiscal years.

“(b) ALLOCATION FORMULA FOR FISCAL YEARS 2019 THROUGH 2023.—

“(1) IN GENERAL.—From the amount appropriated under section 441(b) for a fiscal year and remaining after the Secretary reserves funds under subsection (a), the Secretary shall allocate to each institution—

“(A) for fiscal year 2019, an amount equal to the greater of—

“(i) 90 percent of the amount the institution received under this subsection and subsection (a) for fiscal year 2018, as such subsections were in effect with respect to such fiscal year (in this subparagraph referred to as the ‘2018 amount for the institution’); or

“(ii) the fair share amount for the institution determined under subsection (d);

“(B) for fiscal year 2020, an amount equal to the greater of—

“(i) 80 percent of the 2018 amount for the institution; or

“(ii) the fair share amount for the institution determined under subsection (d);

“(C) for fiscal year 2021, an amount equal to the greater of—

“(i) 60 percent of the 2018 amount for the institution; or

“(ii) the fair share amount for the institution determined under subsection (d);

“(D) for fiscal year 2022, an amount equal to the greater of—

“(i) 40 percent of the 2018 amount for the institution; or

“(ii) the fair share amount for the institution determined under subsection (d); and

“(E) for fiscal year 2023, an amount equal to the greater of—

“(i) 20 percent of the 2018 amount for the institution; or

“(ii) the fair share amount for the institution determined under subsection (d).

“(2) RATABLE REDUCTION.—

“(A) IN GENERAL.—If the amount appropriated under section 441(b) for a fiscal year and remaining after the Secretary reserves funds under subsection (a) is less than the amount required to be allocated to the institutions under this subsection, then the amount of the allocation to each institution shall be ratably reduced.

“(B) ADDITIONAL APPROPRIATIONS.—If the amounts allocated to each institution are ratably reduced under subparagraph (A) for a fiscal year and additional amounts are appropriated for such fiscal year, the amount allocated to each institution from the additional amounts shall be increased on the same basis as the amounts under subparagraph (A) were reduced (until each institution receives the amount required to be allocated under this subsection).

“(c) ALLOCATION FORMULA FOR FISCAL YEAR 2024 AND EACH SUCCEEDING FISCAL YEAR.—From the amount appropriated under section 441(b) for fiscal year 2024 and each succeeding fiscal year and remaining after the Secretary reserves funds under subsection (a), the Secretary shall allocate to each institution the fair share amount for the institution determined under subsection (d).

“(d) DETERMINATION OF FAIR SHARE AMOUNT.—

“(1) IN GENERAL.—The fair share amount for an institution for a fiscal year shall be equal to the sum of the following:

“(A) An amount equal to 50 percent of the amount that bears the same proportion to the available appropriated amount for such fiscal year as the total amount of Federal Pell Grant funds disbursed at the institution for the preceding fiscal year bears to the total amount of Federal Pell Grant funds awarded at all institutions participating under this part for the preceding fiscal year.

“(B) An amount equal to 50 percent of the amount that bears the same proportion to the available appropriated amount for such fiscal year as the total amount of the undergraduate student need at the institution for the preceding fiscal year bears to the total amount of undergraduate student need at all institutions participating under this part for the preceding fiscal year.

“(2) DEFINITIONS.—In this subsection:

“(A) AVAILABLE APPROPRIATED AMOUNT.—The term ‘available appropriated amount’ means—

“(i) the amount appropriated under section 441(b) for a fiscal year, minus

“(ii) the amounts reserved under subsection (a) for such fiscal year.

“(B) AVERAGE COST OF ATTENDANCE.—The term ‘average cost of attendance’ means, with respect to an institution, the average of the attendance costs for a fiscal year for students which shall include—

“(i) tuition and fees, computed on the basis of information reported by the institution to the Secretary, which shall include—

“(I) total revenue received by the institution from undergraduate tuition and fees for the second year preceding the year for which it is applying for an allocation; and

“(II) the institution’s enrollment for such second preceding year; “(ii) standard living expenses equal to 150 percent of the difference between the income protection allowance for a family of 5 with 1 in college and the income protection allowance for a family of 6 with 1 in college for a single independent student; and

“(iii) books and supplies, in an amount not exceeding \$800.

“(C) UNDERGRADUATE STUDENT NEED.—The term ‘undergraduate student need’ means, with respect to an undergraduate student for a fiscal year, the lesser of the following:

“(i) The total of the amount equal to (except the amount computed by this clause shall not be less than zero)—

“(I) the average cost of attendance for the fiscal year, minus

“(II) the total amount of each such undergraduate student’s expected family contribution (computed in accordance with part F of this title) for the preceding fiscal year.

“(ii) \$12,500.

“(e) RETURN OF SURPLUS ALLOCATED FUNDS.—

“(1) AMOUNT RETURNED.—If an institution returns more than 10 percent of its allocation under subsection (d), the institution’s allocation for the next fiscal year shall be reduced by the amount returned.

“(2) WAIVER.—The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing this paragraph would be contrary to the interest of the program.

“(f) FILING DEADLINES.—The Secretary shall, from time to time, set dates before which institutions must file applications for allocations under this part.”

SEC. 443. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.

Section 443 (20 U.S.C. 1087–53) is amended—

(1) in subsection (b)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by striking “part-time”;

(B) in paragraph (2), by striking “except that—” and all that follows through “an institution may use a portion” and inserting “except that an institution may use a portion”;

(C) in paragraph (3), by inserting “undergraduate” after “only”;

- (D) in paragraph (4), by striking “300” and inserting “500”;
- (E) in paragraph (5)—
 - (i) by striking “shall not exceed 75 percent” and inserting “shall not exceed 75 percent in the first year after the date of the enactment of PROSPER Act, 65 percent in the first succeeding fiscal year, 60 percent in the second succeeding fiscal year, 55 percent in the third succeeding fiscal year, and 50 percent each succeeding fiscal year”;
 - (ii) by striking subparagraph (A);
 - (iii) in subparagraph (B)—
 - (I) by striking “75” and inserting “50”; and
 - (II) by striking the semicolon and inserting “; and”;
 - (iv) by redesignating subparagraph (B) as subparagraph (A); and
 - (v) by adding at the end the following:
 - “(B) the Federal share may equal 100 percent with respect to funds received under section 442(a)(1)(A).”;
- (F) in paragraph (8)—
 - (i) in subparagraph (A)(i), by striking “vocational” and inserting “career”; and
 - (ii) in subparagraph (B), by striking “community service” and inserting “work-based learning”;
- (G) in paragraph (10), by striking “; and” and inserting a semicolon;
- (H) in paragraph (11), by striking the period at the end and inserting a semicolon; and
- (I) by adding at the end the following:
 - “(12) provide assurances that the institution will collect data from students and employers such that the employment made available from funds under this part will, to the maximum extent practicable, complement and reinforce the educational goals or career goals of each student receiving assistance under this part; and
 - “(13) provide assurances that if the institution receives funds under section 442(a)(1)(A), such institution shall—
 - “(A) use such funds to compensate students participating in the work-study program; and
 - “(B) prioritize the awarding of such funds to students—
 - “(i) who demonstrate exceptional need; or
 - “(ii) who are employed in work-based learning opportunities through the work-study program.”;
- (2) in subsection (c)—
 - (A) in paragraph (1)—
 - (i) by striking “program of part-time employment” and inserting the following: “program—
 - “(A) of employment”; and
 - (ii) by inserting “or” after “subsection (b)(3).”; and
 - (iii) by adding at the end the following:
 - “(B) of full-time employment of its cooperative education students in work for a private for-profit organization under an arrangement between the institution and such organization that complies with the requirements of subparagraphs (A) through (D) of subsection (b)(1) of this section and subsection (b)(4) of this section.”;
 - (B) by striking paragraph (2);
 - (C) in paragraph (4), by inserting “and complement and reinforce the educational goals or career goals of each student receiving assistance under this part” after “relevant”; and
 - (D) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively; and
- (3) in subsection (d)—
 - (A) in paragraph (1)—
 - (i) by striking “In any academic year to which subsection (b)(2)(A) applies, an institution shall ensure that” and inserting “An institution may use the” ; and
 - (ii) by striking “are used”; and
 - (B) in paragraph (3), by striking “may exceed 75 percent” and inserting “shall not exceed 50 percent”.

SEC. 444. FLEXIBLE USE OF FUNDS.

Section 445(a) (20 U.S.C. 1087–55(a)) is amended—

- (1) in paragraph (2), by striking “in the same State” and inserting “described under section 442(a)(1)(B).”; and
- (2) by adding at the end the following new paragraph:

“(3) In addition to the carry-over sums authorized under paragraph (1) of this section, an institution may permit a student who completed the previous award period to continue to earn unearned portions of the student’s work-study award from that previous year if—

- “(A) any reduction in the student’s need upon which the award was based is accounted for in the remaining portion; and
- “(B) the student is currently employed in a work-based learning position.”.

SEC. 445. JOB LOCATION AND DEVELOPMENT PROGRAMS.

Section 446 (20 U.S.C. 1087–56) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “10 percent or \$75,000” and inserting “20 percent or \$150,000”; and

(ii) by striking “, including community service jobs,”;

(B) in paragraph (2), by striking “vocational” and inserting “career”; and

(C) by adding at the end the following:

“(3) An institution may use a portion of the funds expended under this section to identify and expand opportunities for apprenticeships for students and to assist employers in developing jobs that are part of apprenticeship programs.”; and

(2) in subsection (b)—

(A) by striking paragraph (2);

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively; and

(C) by inserting before paragraph (4), as so redesignated, the following:

“(2) provide satisfactory assurance that the institution will prioritize placing students with the lowest expected family contribution and Federal work-study recipients in jobs located and developed under this section;

“(3) provide a satisfactory assurance that the institution will locate and develop work-based learning opportunities through the job location development programs.”; and

(D) in paragraph (7), as so redesignated, by striking the period and inserting “, including—

“(A) the number of students employed in work-based learning opportunities through such program;

“(B) the number of students demonstrating exceptional need and employed in a work-study program through such program; and

“(C) the number of students demonstrating exceptional need and employed in work-based learning opportunities through such program.”.

SEC. 446. COMMUNITY SERVICE.

Section 447 (20 U.S.C. 1087–57) is repealed.

SEC. 447. WORK COLLEGES.

Section 448 (20 U.S.C. 1087–58) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking “and part E”; and

(ii) by striking “appropriated” and inserting “allocated”;

(B) in paragraph (2), by striking “appropriated pursuant to” and inserting “allocated under”; and

(2) in subsection (c), by striking “authorized by” and inserting “allocated under”;

(3) in subsection (e)(1)—

(A) in subparagraph (C), by striking “; and” and inserting a semicolon; and

(B) by adding at the end the following:

“(E) has administered Federal work-study for at least 2 years; and”; and

(4) by amending subsection (f) to read as follows:

“(f) ALLOCATION OF RESERVED FUNDS.—

“(1) IN GENERAL.—Subject to paragraph (2), from the amount reserved under section 442(a)(2) for a fiscal year to carry out this section, the Secretary shall allocate to each work college that submits an application under subsection (c) an amount equal to the amount that bears the same proportion to the amount appropriated for such fiscal year as the number of students eligible for employment under a work-study program under this part who are enrolled at the work college bears to the total number of students eligible for employment under a work-study program under this part who are enrolled at all work colleges.

“(2) REALLOTMENT OF UNMATCHED FUNDS.—If a work college is unable to match funds received under paragraph (1) in accordance with subsection (d),

any unmatched funds shall be returned to the Secretary and the Secretary shall reallocate such funds on the same basis as funds are allocated under paragraph (1).”.

PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 451. TERMINATION OF FEDERAL DIRECT LOAN PROGRAM UNDER PART D AND OTHER CONFORMING AMENDMENTS.

(a) APPROPRIATIONS.—Section 451 (20 U.S.C. 1087a) is amended—

(1) in subsection (a), by adding at the end the following: “No sums may be expended after September 30, 2024, with respect to loans under this part for which the first disbursement is after such date.”; and

(2) by adding at the end, the following:

“(c) TERMINATION OF AUTHORITY TO MAKE NEW LOANS.—Notwithstanding subsection (a) or any other provision of law—

“(1) no new loans may be made under this part after September 30, 2024; and

“(2) no funds are authorized to be appropriated, or may be expended, under this Act, or any other Act to make loans under this part for which the first disbursement is after September 30, 2024, except as expressly authorized by an Act of Congress enacted after the date of enactment of the PROSPER Act.

“(d) STUDENT ELIGIBILITY BEGINNING WITH AWARD YEAR 2019.—

“(1) NEW BORROWERS.—No loan may be made under this part to a new borrower for which the first disbursement is after June 30, 2019.

“(2) BORROWERS WITH OUTSTANDING BALANCES.—Subject to paragraph (3), with respect to a borrower who, as of July 1, 2019, has an outstanding balance of principal or interest owing on a loan made under this part, such borrower may—

“(A) in the case of such a loan made to the borrower for enrollment in a program of undergraduate education, borrow loans made under this part for any program of undergraduate education through the close of September 30, 2024;

“(B) in the case of such a loan made to the borrower for enrollment in a program of graduate or professional education, borrow loans made under this part for any program of graduate or professional education through the close of September 30, 2024; and

“(C) in the case of such a loan made to the borrower on behalf of a dependent student for the student’s enrollment in a program of undergraduate education, borrow loans made under this part on behalf of such student through the close of September 30, 2024.

“(3) LOSS OF ELIGIBILITY.—A borrower described in paragraph (2) who borrows a loan made under part E for which the first disbursement is made on or after July 1, 2019, shall lose the borrower’s eligibility to borrow loans made under this part in accordance with paragraph (2).”.

(b) PERKINS LOAN CONFORMING AMENDMENT.—Section 453(c)(2)(A) (20 U.S.C. 1087c(c)(2)(A)) is amended by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a),” after “part E”;

(c) APPLICABLE INTEREST RATES AND OTHER TERMS AND CONDITIONS.—Section 455 (20 U.S.C. 1087e) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting “, and first disbursed before October 1, 2024,” after “under this part”;

(B) in paragraph (2), by inserting “, and first disbursed before October 1, 2024,” after “under this part”;

(2) in subsection (b)(8)—

(A) in the paragraph heading, by inserting “AND BEFORE OCTOBER 1, 2024” after “2013”;

(B) in subparagraph (A), by inserting “and before October 1, 2024,” after “July 1, 2013,”;

(C) in subparagraph (B), by inserting “and before October 1, 2024,” after “July 1, 2013,”;

(D) in subparagraph (C), by inserting “and before October 1, 2024,” after “July 1, 2013,”; and

(E) in subparagraph (D), by inserting “and before October 1, 2024,” after “July 1, 2013,”;

(3) in subsection (c)(2)(E), by inserting “, and before October 1, 2024” after “July 1, 2010”;

(4) in subsection (e)(7), in the matter preceding subparagraph (A), by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a)” after “part E”; and

(5) in subsection (g)—

(A) by inserting “, and first disbursed before October 1, 2024,” after “under this part” the first place it appears; and

(B) by adding at the end the following: “The authority to make consolidation loans under this subsection expires at the close of September 30, 2024. No loan may be made under this subsection for which the disbursement is on or after October 1, 2024.”; and

(6) in subsection (o)—

(A) in paragraph (1), by inserting “, and before October 1, 2024” after “October 1, 2008”; and

(B) in paragraph (2)—

(i) by inserting “and before October 1, 2024,” after “October 1, 2008.”; and

(ii) by inserting “, and before October 1, 2024” before the period at the end.

SEC. 452. BORROWER DEFENSES.

Section 455(h) (20 U.S.C. 1087e(h)) is amended to read as follows:

“(h) BORROWER DEFENSES.—

“(1) IN GENERAL.—In any proceeding to collect on a loan made under this part on or after July 1, 2018 to a borrower, the Secretary shall abide by the following:

“(A) In no event may the borrower recover any amount previously collected or be freed of amounts owed to the Secretary without submitting an individually-filed application for approval.

“(B) In no event may the borrower recover amounts previously collected by the Secretary, in any action arising from or relating to a loan made under this part, in an amount in excess of the amount that has been paid by the borrower on such loan.

“(C) In no event may the borrower submit an application to recover amounts previously collected by the Secretary later than 3 years after the misconduct or breach of contract on behalf of the institution takes place that gives rise to the borrower to assert a defense to repayment of the loan.

“(D) In no event may anyone other than an administrative law judge or its equivalent preside over hearings of any kind related to applications submitted under this subsection.

“(E) In no event may the Secretary approve or disapprove the borrower’s application under this subsection without allowing for the equal consideration of evidence and arguments presented by a representative on behalf of the student or students and a representative on behalf of the institution, if either such party makes a request.

“(F) In no event may the Secretary withhold from an institution any materials, facts, or evidence used when processing an application submitted by the borrower.

“(G) In no event may the borrower of a loan made, insured or guaranteed under this title (other than a loan made under this part or a Federal ONE Loan) submit an application under this subsection without consolidating the loans of the borrower into a Federal ONE Consolidation Loan.

“(2) BORROWER APPLICATION REQUIREMENTS.—

“(A) IN GENERAL.—An application submitted by a borrower under this subsection to the Secretary shall—

“(i) certify the borrower’s receipt of loan proceeds, in whole or in part, to attend the named institution of higher education;

“(ii) provide evidence described in subparagraph (B) that supports a borrower defense to repayment of the loan; and

“(iii) indicate whether the borrower has made a claim with respect to the information underlying the borrower defense with any third party and, if so, the amount of any payment received by the borrower or credited to the borrower’s loan obligation.

“(B) EVIDENCE.—The borrower has a borrower defense if—

“(i) the borrower, whether as an individual or as a member of a class, or a governmental agency, has obtained against the institution of higher education a nondefault, favorable contested judgment based on State or Federal law in a court or administrative tribunal of competent jurisdiction;

“(ii) the institution of higher education for which the borrower received the loan made under this part failed to perform its obligations under the terms of a contract with the student; or

“(iii) the institution of higher education described in clause (ii) or any of its representatives engaged directly in marketing, recruitment or admissions activities, or any other institution of higher education, organization, or person with whom such institution has an agreement to provide educational programs, or to provide marketing, advertising, recruiting, or admissions services, made a substantial misrepresentation within the meaning of section 487(c)(3)(B)(i)(II) that the borrower reasonably relied on when the borrower decided to attend, or to continue attending, such institution.

“(3) SECRETARIAL NOTIFICATION REQUIREMENTS.—

“(A) RECEIPT OF APPLICATION.—Upon receipt of a borrower’s application, the Secretary—

“(i) if the borrower is not in default on the loan for which a borrower defense has been asserted, shall grant a forbearance and notify the borrower of the option to decline the forbearance and to continue making payments on the loan;

“(ii) if the borrower is in default on the loan for which a borrower defense has been asserted—

“(I) shall suspend collection activity on the loan until the Secretary issues a decision on the borrower’s claim;

“(II) shall notify the borrower of the suspension of collection activity and explain that collection activity will resume if the Secretary determines that the borrower does not qualify for a full discharge; and

“(III) shall notify the borrower of the option to continue making payments under a rehabilitation agreement or other repayment agreement on the defaulted loan; and

“(iii) shall to the extent possible, notify the institutions against which the application is filed, which notification shall include—

“(I) the reasons that the application has been filed; and

“(II) the amount of relief requested.

“(B) APPROVED APPLICATION.—If a borrower’s application is approved in full or in part, the Secretary shall—

“(i) notify the borrower and the institution in writing of that determination and of the relief provided; and

“(ii) inform the institution of the opportunity to request a one-time reconsideration of the claim in the application if new evidence that was not previously provided can be identified.

“(C) APPLICATION NOT APPROVED.—If a borrower’s application is not approved in full or in part, the Secretary—

“(i) shall notify the borrower and the institution of the reasons for the denial, the evidence that was relied upon, any portion of the loan that is due and payable to the Secretary, whether the Secretary will reimburse any amounts previously collected, and inform the borrower that the loan will return to its status prior to the borrower’s submission of the application; and

“(ii) shall inform the borrower of the opportunity to request a one-time reconsideration of the claim in the application if new evidence that was not previously provided can be identified.

“(D) CONSOLIDATION.—During a proceeding for an individual borrower, the Secretary may consolidate individually-filed applications that have common facts and claims and resolve the borrowers’ borrower defense claims for faster processing.

“(E) NEW EVIDENCE DEFINED.—For purposes of this paragraph, the term ‘new evidence’ means relevant evidence that the borrower or the institution did not previously provide and that was not identified in the final decision as evidence that was relied upon for the final decision. If accepted for reconsideration by the Secretary, the Secretary shall follow the procedure under this paragraph.

“(F) NOTIFICATION.—After a borrower submits an application, the Secretary shall include in the notification to the borrower—

“(i) the actions, including deadlines and document requests, that will be taken by the Secretary when processing an application by the borrower; and

“(ii) that the final action by the Secretary shall be available for review under subchapter II of chapter 5, and chapter 7, of title 5, United States Code (commonly known as the ‘Administrative Procedure Act’).

“(G) TIMELY APPROVAL PROCESS.—During a proceeding for an individual borrower, the Secretary shall process a submitted application and notify the borrower of the final determination in a manner that is timely and efficient.

“(H) REPORT.—Not later than two years after the date of enactment of the PROSPER Act, the Secretary shall submit to the authorizing committees a report that includes—

“(i) the established policies and procedures for processing applications;

“(ii) the established policies and procedures for approving an application;

“(iii) the established policies and procedures for denying an application;

“(iv) the method used to calculate the amount and type of relief to be awarded to borrowers who submit an application; and

“(v) the established timeframes for the policies and procedures identified in clauses (i) through (iii).

“(4) CALCULATION OF RELIEF.—The Secretary shall determine the appropriate method for calculating the amount of relief to be awarded to a borrower as a result of a proceeding described in this subsection based on the materials, facts, and evidence presented during the proceeding.

“(5) FURTHER RELIEF.—The Secretary may afford the borrower such further relief as the Secretary determines is appropriate under the circumstances, but which shall not exceed the following:

“(A) Reimbursing the borrower for amounts paid toward the loan voluntarily or through enforced collection.

“(B) Restoring eligibility for assistance under this title after determining that the borrower is not in default on the loan.

“(C) Updating reports to consumer reporting agencies to which the Secretary previously made adverse credit reports with regard to a loan made under this part after July 1, 2018.

“(6) RECOVERY.—

“(A) IN GENERAL.—The Secretary may initiate an appropriate proceeding to require the institution of higher education whose act or omission resulted in the borrower’s successful defense against repayment of a loan made under this part to pay to the Secretary the amount of the loan to which the defense applies not later than 3 years from the end of the last award year in which the student attended the institution.

“(B) NOTICE.—The Secretary may initiate a proceeding to collect at any time if the institution received notice of the claim before the end of the later of the periods described in subparagraph (A). For purposes of this subparagraph, notice includes receipt of—

“(i) actual notice from the borrower, from a representative of the borrower, or from the Department;

“(ii) a class action complaint asserting relief for a class that may include the borrower; or

“(iii) written notice, including a civil investigative demand or other written demand for information, from a Federal or State agency that has power to initiate an investigation into conduct of the institution of higher education relating to specific programs, periods, or practices that may have affected the borrower.”.

SEC. 453. PLAIN LANGUAGE DISCLOSURE FORM.

(a) PLAIN LANGUAGE DISCLOSURE FORM.—Section 455(p) (20 U.S.C. 1087e(p)) is amended to read as follows:

“(p) DISCLOSURES.—

“(1) IN GENERAL.—The Secretary shall, with respect to loans under this part and in accordance with such regulations as the Secretary shall prescribe, comply with each of the requirements under section 433 that apply to a lender with respect to a loan under part B.

“(2) PLAIN LANGUAGE DISCLOSURE FORM.—

“(A) DEVELOPMENT AND ISSUANCE OF FORM.—Not later than 24 months after the date of the enactment of this paragraph, the Secretary shall, based on consumer testing, develop and issue a model form to be known as the ‘Plain Language Disclosure Form’ that shall be used by the Secretary to comply with paragraph (1).

“(B) **FORMAT.**—The Secretary shall ensure that the Plain Language Disclosure Form—

“(i) enables borrowers to easily identify the information required to be disclosed under section 433(a) with respect to a loan, with emphasis on the loan terms determined by the Secretary, based on consumer testing, to be critical to understanding the total costs of the loan and the estimated monthly repayment;

“(ii) has a clear format and design, including easily readable font; and

“(iii) is as succinct as practicable.

“(C) **CONSULTATION.**—In developing Plain Language Disclosure Form, the Secretary shall, as appropriate, consult with—

“(i) the Federal Reserve Board;

“(ii) borrowers of loans under this part; and

“(iii) other organizations involved in the provision of financial assistance to students, as identified by the Secretary.

“(3) **ELECTRONIC SYSTEM FOR COMPLIANCE.**—In carrying out paragraph (2), Secretary shall develop and implement an electronic system to generate a Plain Language Disclosure Form for each borrower that includes personalized information about the borrower and the borrower’s loans.

“(4) **LIMIT ON LIABILITY.**—Nothing in this subsection shall be construed to create a private right of action against the Secretary with respect to the form or electronic system developed under this paragraph.

“(5) **BORROWER SIGNATURE REQUIRED.**—Beginning after the issuance of the Plain Language Disclosure Form by the Secretary under paragraph (2), a loan may not be issued to a borrower under this part unless the borrower acknowledges to the Secretary, in writing (which may include an electronic signature), that the borrower has read the Plain Language Disclosure Form for the loan concerned.

“(6) **CONSUMER TESTING DEFINED.**—In this subsection, the term ‘consumer testing’ means the solicitation of feedback from individuals, including borrowers and prospective borrowers of loans under this part (as determined by the Secretary), about the usefulness of different methods of disclosing material terms of loans on the Plain Language Disclosure Form to maximize borrowers’ understanding of the terms and conditions of such loans.”.

(b) **REPORT TO CONGRESS.**—Not later than 3 years after the date of the enactment of this Act, the Secretary of Education shall submit to Congress a report that includes a description of the methods and procedures used to develop the Plain Language Disclosure Form required under section 455(p)(2) of the Higher Education Act of 1965 (as added by subsection (a) of this section).

SEC. 454. ADMINISTRATIVE EXPENSES.

Section 458(a) (20 U.S.C. 1087h)—

(1) in paragraph (3)—

(A) by striking “2007” each place it appears, including in any headings, and inserting “2019”;

(B) by striking “2014” each place it appears, including in any headings, and inserting “2024”; and

(C) by striking “part and part B, including the costs of the direct student loan programs under this part” and inserting “title”;

(2) in paragraph (4), by striking “2017” and inserting “2024”;

(3) in paragraph (6)—

(A) in subparagraph (B), by striking “2010” and inserting “2019”; and

(B) in subparagraph (C), by striking “training” and inserting “education”;

(4) by striking paragraph (7); and

(5) by redesignating paragraph (8) as paragraph (7).

SEC. 455. LOAN CANCELLATION FOR TEACHERS.

Section 460(b)(1)(A) (20 U.S.C. 1087j(b)(1)(A)) is amended by striking “that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools or locations” and inserting “described in section 420N(b)(1)(B)”.

PART E—FEDERAL ONE LOANS

SEC. 461. WIND-DOWN OF FEDERAL PERKINS LOAN PROGRAM.

(a) **IN GENERAL.**—Except as otherwise provided in this section and notwithstanding section 462, the provisions of part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), as in effect on the day before the date of

enactment of this Act, are deemed to be incorporated in this subsection as though set forth fully in this subsection, and shall have the same force and effect as on such day.

(b) CLOSE-OUT AUDITS.—

(1) IN GENERAL.—In the case of an institution of higher education that desires to have a final audit of its participation under the program under part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), as in effect pursuant to subsection (a), at the same time as its annual financial and compliance audit under section 487(c) of such Act (20 U.S.C. 1094(c)), such institution shall submit to the Secretary a request, in writing, for such an arrangement not later than 60 days after the institution terminates its participation under such program.

(2) TERMINATION OF PARTICIPATION.—For purposes of this subsection, an institution shall be considered to have terminated its participation under the program described in paragraph (1), if the institution—

(A)(i) has made a determination not to service and collect student loans made available from funds under part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), as in effect pursuant to subsection (a); or

(ii) has completed the servicing and collection of such student loans; and

(B) has completed the asset distribution required under section 466(b) of the Higher Education Act of 1965 (20 U.S.C. 1087ff(b)), as in effect pursuant to subsection (a).

(c) COLLECTION OF INTEREST ON CERTAIN STUDENT LOANS.—In the case of an institution of higher education that, on or after October 1, 2006, loaned an amount to its student loan fund established under part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.), as in effect pursuant to subsection (a), for the purpose of making student loans from such fund, and that, before the date of enactment of this Act, has repaid to itself the amount loaned to such student loan fund, the institution shall collect any interest earned on such student loans.

(d) ASSIGNMENT OF LOANS TO SECRETARY.—Notwithstanding the requirements of section 463(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1087cc(a)(5)), as in effect pursuant to subsection (a), if an institution of higher education determines not to service and collect student loans made available from funds under part E of such Act (20 U.S.C. 1087aa et seq.), as so in effect—

(1) the institution shall assign, during the repayment period, any notes or evidence of obligations of student loans made from such funds to the Secretary; and

(2) the Secretary shall deposit any sums collected on such notes or obligations (less an amount not to exceed 30 percent of any such sums collected to cover that Secretary's collection costs) into the Treasury of the United States.

(e) CLOSED SCHOOL DISCHARGE.—The amendments made by section 428 to section 437(c) of the Higher Education Act of 1965 (20 U.S.C. 1087), relating to closed school discharge, shall apply with respect to any loans discharged on or after the date of enactment of this Act under section 464(g) of such Act (20 U.S.C. 1087dd(g)), as in effect pursuant to subsection (a)).

SEC. 462. FEDERAL ONE LOAN PROGRAM.

Part E of title IV (20 U.S.C. 1087aa et seq.) is amended to read as follows:

“PART E—FEDERAL ONE LOAN PROGRAM

“SEC. 461. PROGRAM AUTHORITY.

“(a) IN GENERAL.—There are hereby made available, in accordance with the provisions of this part, such sums as may be necessary to make loans to all eligible students (and the eligible parents of such students) in attendance at participating institutions of higher education selected by the Secretary to enable such students to pursue their courses of study at such institutions during the period beginning July 1, 2019. Loans made under this part shall be made by participating institutions that have agreements with the Secretary to originate loans.

“(b) DESIGNATION.—The program established under this part shall be referred to as the ‘Federal ONE Loan Program’.

“(c) ONE LOANS.—Except as otherwise specified in this part, loans made to borrowers under this part shall be known as ‘Federal ONE Loans’.

“SEC. 462. FUNDS FOR THE ORIGATION OF ONE LOANS.

“(a) IN GENERAL.—The Secretary shall provide, on the basis of eligibility of students at each participating institution, and parents of such students, for such loans, funds for student and Parent Loans under this part directly to an institution of

higher education that has an agreement with the Secretary under section 464(a) to participate in the Federal ONE Loan Program under this part and that also has an agreement with the Secretary under section 464(b) to originate loans under this part.

“(b) PARALLEL TERMS.—Subsections (b), (c), and (d) of section 452 shall apply to the loan program under this part in the same manner that such subsections apply to the loan program under part D.

“SEC. 463. SELECTION OF INSTITUTIONS FOR PARTICIPATION AND ORIGINATION.

“(a) GENERAL AUTHORITY.—The Secretary shall enter into agreements pursuant to section 464(a) with institutions of higher education to participate in the Federal ONE Loan Program under this part, and agreements pursuant to section 464(b) with institutions of higher education, to originate loans in such program, for academic years beginning on or after July 1, 2019. Such agreements for the academic year 2019–2020 shall, to the extent feasible, be entered into not later than January 1, 2019.

“(b) SELECTION CRITERIA AND PROCEDURE.—The application and selection procedure for an institution of higher education desiring to participate in the loan program under this part shall be the application and selection procedure described in section 453(b) for an institution of higher education desiring to participate in the loan program under part D.

“(c) ELIGIBLE INSTITUTIONS.—The Secretary may not select an institution of higher education for participation under this part unless such institution is an eligible institution under section 487(a).

“SEC. 464. AGREEMENTS WITH INSTITUTIONS.

“(a) PARTICIPATION AGREEMENTS.—An agreement with any institution of higher education for participation in the Federal ONE Loan Program under this part shall—

“(1) provide for the establishment and maintenance of a direct student loan program at the institution under which the institution will—

“(A) identify eligible students who seek student financial assistance at such institution in accordance with section 484;

“(B) provide a statement that certifies the eligibility of any student to receive a loan under this part that is not in excess of the annual or aggregate limit applicable to such loan, except that the institution may, in exceptional circumstances identified by the Secretary pursuant to section 454(a)(1)(C), refuse to certify a statement that permits a student to receive a loan under this part, if the reason for such action is documented and provided in written form to such student;

“(C) set forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 465(a); and

“(D) provide timely and accurate information, concerning the status of student borrowers (and students on whose behalf parents borrow under this part) while such students are in attendance at the institution and concerning any new information of which the institution becomes aware for such students (or their parents) after such borrowers leave the institution, to the Secretary for the servicing and collecting of loans made under this part;

“(2) provide assurances that the institution will comply with requirements established by the Secretary relating to student loan information with respect to loans made under this part;

“(3) provide that the institution accepts responsibility and financial liability stemming from its failure to perform its functions pursuant to the agreement;

“(4) provide for the implementation of a quality assurance system, as established by the Secretary and developed in consultation with institutions of higher education, to ensure that the institution is complying with program requirements and meeting program objectives; and

“(5) provide that the institution will not charge any fees of any kind, however described, to student or parent borrowers for origination activities or the provision of any information necessary for a student or parent to receive a loan under this part, or any benefits associated with such loan.

“(b) ORIGINATION.—An agreement with any institution of higher education for the origination of loans under this part shall—

“(1) supplement the agreement entered into in accordance with subsection (a);

“(2) include provisions established by the Secretary that are similar to the participation agreement provisions described in paragraphs (2), (3), (4), and (5) of subsection (a), as modified to relate to the origination of loans by the institution;

“(3) provide that the institution will originate loans to eligible students and parents in accordance with this part; and

“(4) provide that the note or evidence of obligation on the loan shall be the property of the Secretary.

“(c) WITHDRAWAL PROCEDURES.—

“(1) IN GENERAL.—An institution of higher education participating in the Federal ONE Loan Program under this part may withdraw from the program by providing written notice to the Secretary of the intent to withdraw not less than 60 days before the intended date of withdrawal.

“(2) DATE OF WITHDRAWAL.—Except in cases in which the Secretary and an institution of higher education agree to an earlier date, the date of withdrawal from the Federal ONE Loan Program under this part of an institution of higher education shall be the later of—

“(A) 60 days after the institution submits the notice required under paragraph (1); or

“(B) a date designated by the institution.

“SEC. 465. DISBURSEMENT OF STUDENT LOANS, LOAN LIMITS, INTEREST RATES, AND LOAN FEES.

“(a) REQUIREMENTS FOR DISBURSEMENT OF STUDENT LOANS.—

“(1) MULTIPLE DISBURSEMENT REQUIRED.—

“(A) REQUIRED DISBURSEMENTS.—The proceeds of any loan made under this part that is made for any period of enrollment shall be disbursed as follows:

“(i) The disbursement of the first installment of proceeds shall, with respect to any student other than a student described in subparagraph (B)(i), be made not more than 30 days prior to the beginning of the period of enrollment, and not later than 30 days after the beginning of such period of enrollment.

“(ii) The disbursement of an installment of proceeds shall be made in substantially equal monthly or weekly installments over the period of enrollment for which the loan was made, except that installments may be unequal as necessary to permit the institution to adjust for unequal costs (which may include upfront costs such as tuition and fees) incurred or estimated financial assistance received by the student, or based on the academic progress of the student.

“(B) DISBURSEMENT OF CREDIT BALANCES.—

“(i) TYPE OF DISBURSEMENT.—The credit balances of any loan made under this part that is made for any period of enrollment shall be disbursed by—

“(I) an electronic transfer of funds to the borrower’s financial account;

“(II) a check for the amount payable to, and requiring the endorsement of, the borrower;

“(III) an access device in accordance with clause (ii); or

“(IV) a cash payment for which the institution obtains a receipt signed by the borrower.

“(ii) USAGE OF ACCESS DEVICE.—An institution may enter into an agreement with a third-party servicer for the delivery of funds awarded under this part in which the third-party servicer provides the borrower with an unvalidated access device for accessing credit balances of any loan if—

“(I) the agreement provides that the access device must bear a prominent disclosure informing the borrower that the borrower is not required to use such access device and open such an account in order to access the student’s funds under this part;

“(II) the agreement provides that the consent of the borrower is obtained before the access device is validated to enable the student to access the account;

“(III) the agreement provides for the protection of the borrower against fraud; and

“(IV) the institution documents that it has conducted a reasonable due diligence review before entering into the agreement, and will conduct such a review at least every two years to ensure that—

“(aa) the fees applicable to such account are, considered as a whole, below prevailing market rates; and

“(bb) the terms and conditions of such account are otherwise consistent with prevailing market terms and conditions.

“(C) FIRST YEAR STUDENTS.—

“(i) IN GENERAL.—The first installment of the proceeds of any loan made under this part that is made to a student borrower who is entering the first year of a program of undergraduate education, and who has not previously obtained a loan under this part, shall not (regardless of the amount of such loan or the duration of the period of enrollment) be presented by the institution of higher education to the student for endorsement until 30 days after the borrower begins a course of study, but may be delivered to the eligible institution prior to the end of that 30-day period.

“(ii) EXEMPTION.—An institution of higher education in which each educational program has a loan repayment rate (as determined under section 481B(c)) for the most recent fiscal year for which data are available that is greater than 60 percent shall be exempt from the requirements of clause (i).

“(2) WITHDRAWING OF SUCCEEDING DISBURSEMENTS.—

“(A) WITHDRAWING STUDENTS.—In the case in which the Secretary is informed by the borrower or the institution that the borrower has ceased to be enrolled before the disbursement of the second or any succeeding installment, the Secretary shall withhold such disbursement. Any disbursement which is so withheld shall be credited to the borrower’s loan and treated as a prepayment on the principal of the loan.

“(B) STUDENTS RECEIVING OVER-AWARDS.—If the sum of a disbursement for any borrower and the other financial aid obtained by borrower exceeds the amount of assistance for which the borrower is eligible under this title, the institution the borrower, or dependent student, in the case of a parent borrower, is attending shall withhold and return to the Secretary the portion (or all) of such installment that exceeds such eligible amount, except that overawards permitted pursuant to section 443(b)(4) shall not be construed to be overawards for purposes of this subparagraph. Any portion (or all) of a disbursement installment which is so returned shall be credited to the borrower’s loan and treated as a prepayment on the principal of the loan.

“(3) EXCLUSION OF CONSOLIDATION AND FOREIGN STUDY LOANS.—The provisions of this subsection shall not apply in the case of a Federal ONE Consolidation Loan, or a loan made to a student to cover the cost of attendance in a program of study abroad approved by the home eligible institution if each of the educational programs of such home eligible institution has a loan repayment rate (as calculated under section 481B(c)) for the most recent fiscal year for which data are available of greater than 70 percent.

“(4) BEGINNING OF PERIOD OF ENROLLMENT.—For purposes of this subsection, a period of enrollment begins on the first day that classes begin for the applicable period of enrollment.

“(b) AMOUNT OF LOAN.—

“(1) IN GENERAL.—The determination of the amount of a loan disbursed by an eligible institution under this section shall be the lesser of—

“(A) an amount that is equal to the estimated loan amount, as determined by the institution by calculating—

“(i) the estimated cost of attendance at the institution; minus

“(ii)(I) any estimated financial assistance reasonably available to such student, including assistance that the student will receive from a Federal grant, including a Federal Pell Grant, a State grant, an institutional grant, or a scholarship or grant from another source, that is known to the institution at the time the student’s determination of need is made; and

“(II) in the case of a loan to a parent, the amount of a loan awarded under this part to the parent’s child; or

“(B) the maximum Federal loan amount for which such borrower is eligible in accordance with paragraph (2).

“(2) LOAN LIMITS.—

“(A) ANNUAL LIMITS.—Except as provided under subparagraph (B), (C), or (D), the amount of loans made under this part that an eligible student or parent borrower may borrow for an academic year shall be as follows:

“(i) UNDERGRADUATE STUDENTS.—With respect to enrollment in a program of undergraduate education at an eligible institution—

“(I) in the case of a dependent student—

“(aa) who has not successfully completed the first year of a program of undergraduate education, \$7,500;

“(bb) who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate education, \$8,500; and

“(cc) who has successfully completed the first and second years of a program of undergraduate education but has not successfully completed the remainder of such program, \$9,500;

“(II) in the case of an independent student, or a dependent student whose parents are unable to borrow a loan under this part on behalf of such student—

“(aa) who has not successfully completed the first year of a program of undergraduate education, \$11,500;

“(bb) who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate education, \$12,500; and

“(cc) who has successfully completed the first and second years of a program of undergraduate education but has not successfully completed the remainder of such program, \$14,500; and

“(III) in the case of a student who is enrolled in a program of undergraduate education that is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) or (II), as applicable, as the length of such program measured in semester, trimester, quarter, or clock hours bears to one academic year.

“(ii) GRADUATE OR PROFESSIONAL STUDENTS.—In the case of a graduate or professional student for enrollment in a program of graduate or professional education at an eligible institution, \$28,500.

“(iii) PARENT BORROWERS.—In the case of a parent borrowing a loan under this part on behalf of a dependent student for the student’s enrollment in a program of undergraduate education at an eligible institution, \$12,500 per each such student.

“(iv) COURSEWORK FOR UNDERGRADUATE ENROLLMENT.—With respect to enrollment in coursework specified in section 484(b)(3)(B) necessary for enrollment in an undergraduate degree or certificate program—

“(I) in the case of a dependent student, \$2,625;

“(II) in the case of a parent borrowing a loan under this part on behalf of a dependent student for the student’s enrollment in such coursework, \$6,000; and

“(III) in the case an independent student, or a dependent student whose parents are unable to borrow a loan under this part on behalf of such student, \$8,625.

“(v) COURSEWORK FOR GRADUATE OR PROFESSIONAL ENROLLMENT OR TEACHER EMPLOYMENT.—With respect to the enrollment of a student who has obtained a baccalaureate degree in coursework specified in section 484(b)(3)(B) necessary for enrollment in a graduate or professional degree or certificate program, or coursework specified in section 484(b)(4)(B) necessary for a professional credential or certification from a State required for employment as a teacher in an elementary or secondary school, in the case of a student (without regard to whether the student is a dependent student or dependent student), \$12,500.

“(B) AGGREGATE LIMITS.—Except as provided under subparagraph (C), (D), or (E), the maximum aggregate amount of loans under this part and parts B and D that an eligible student or parent borrower may borrow shall be—

“(i) for enrollment in a program of undergraduate education at an eligible institution, including for enrollment in coursework described in clause (iv) or (v) of subparagraph (A)—

“(I) in the case of a dependent student, \$39,000;

“(II) in the case of an independent student, or an dependent student whose parents are unable to receive a loan under this part on behalf of such student, \$60,250; and

“(III) in the case of a parent borrowing a loan under this part on behalf of a dependent student for the student’s enrollment in such a program, \$56,250 per each such student.

“(ii) in the case of a graduate or professional student for enrollment in a program of graduate or professional education at an eligible institution, \$150,000.

“(C) APPLICATION OF LIMITS TO BORROWERS WITH PART B OR D LOANS.—

“(i) GRADUATE OR PROFESSIONAL STUDENTS.—In the case of a graduate or professional student who is not described in subparagraph (E) and who has received loans made under part B or D for enrollment in a graduate or professional program at an eligible institution, the total amount of which equal or exceed \$28,500 as of the time of disbursement, the student may continue to borrow the amount of loans under this part necessary to complete such program without regard to the aggregate limit under subparagraph (B)(ii), except that the—

“(I) amount of such loans shall not exceed the annual limits under subparagraph (A)(ii) for any academic year beginning after June 30, 2019; and

“(II) authority to borrow loans in accordance with this subclause shall terminate at the end of the academic year ending before September 30, 2024.

“(ii) PARENT BORROWERS.—In the case of a parent borrower who has received loans made under part B or D on behalf of a dependent student for the student’s enrollment in a program of undergraduate education at an eligible institution, the total amount of which equal or exceed \$12,500 for such student as of the time of disbursement, the parent borrower may continue to borrow the amount of loans under this part necessary for such student to complete such program without regard to the aggregate limit under subparagraph (B)(i)(III), except that the—

“(I) amount of such loans shall not exceed the annual limits under subparagraph (A)(iii) for any academic year beginning after June 30, 2019; and

“(II) the authority to borrow loans in accordance with this subclause shall terminate at the end of the academic year ending before September 30, 2024.

“(D) INSTITUTIONAL DETERMINED LIMITS.—

“(i) IN GENERAL.—Notwithstanding any other provision of this subsection, an eligible institution (at the discretion of a financial aid administrator at the institution) may prorate or limit the amount of a loan any student enrolled in a program of study at that institution may borrow under this part for an academic year—

“(I) if the institution, using the most recently available data from the Bureau of Labor Statistics for the average starting salary in the region in which the institution is located for typical occupations pursued by graduates of such program, can reasonably demonstrate that student debt levels are or would be excessive for such program;

“(II) in a case in which the student is enrolled on a less than full-time basis or the student is enrolled for less than the period of enrollment to which the annual loan limit applies under this subsection, based on the student’s enrollment status;

“(III) based on the credential level (such as a degree, certificate, or other recognized educational credential) that the student would attain upon completion of such program; or

“(IV) based on the year of the program for which the student is seeking such loan.

“(ii) APPLICATION TO ALL STUDENTS.—Any proration or limiting of loan amounts under clause (i) shall be applied in the same manner to all students enrolled in the institution or program of study.

“(iii) INCREASES FOR INDIVIDUAL STUDENTS.—Upon the request of a student whose loan amount for an academic year has been prorated or limited under clause (i), an eligible institution (at the discretion of the financial aid administrator at the institution) may increase such loan amount to an amount not exceeding the annual loan amount applicable to such student under this subparagraph for such academic year if such student demonstrates special circumstances or exceptional need.

“(E) INCREASES FOR CERTAIN GRADUATE OR PROFESSIONAL STUDENTS.—

“(i) ADDITIONAL ANNUAL AMOUNTS.—Subject to clause (iii) of this subparagraph, in addition to the loan amount for an academic year described in subparagraph (A)(ii)—

“(I) a graduate or professional student who is enrolled in a program of study to become a doctor of allopathic medicine, doctor of osteopathic medicine, doctor of dentistry, doctor of veterinary medicine, doctor of optometry, doctor of podiatric medicine, doctor of na-

turopathic medicine, or doctor of naturopathy may borrow an additional—

“(aa) in the case of a program with a 9-month academic year, \$20,000 for an academic year; or

“(bb) in the case of a program with a 12-month academic year, \$26,667 for an academic year; and

“(II) a graduate or professional student who is enrolled in a program of study to become a doctor of pharmacy, doctor of chiropractic medicine, or a physician’s assistant, or receive a graduate degree in public health, doctoral degree in clinical psychology, or a masters or doctoral degree in health administration may borrow an additional—

“(aa) in the case of a program with a 9-month academic year, \$12,500 for an academic year; or

“(bb) in the case of a program with a 12-month academic year, \$16,667 for an academic year.

“(ii) AGGREGATE LIMIT.—Subject to clause (iii) of this subparagraph, the maximum aggregate amount of loans under this part and parts B and D that a student described in clause (i) may borrow shall be \$235,500.

“(iii) LIMITATION.—In the case of a graduate or professional student described in clause (i) of this subparagraph who has received loans made under part B or D for enrollment in a graduate or professional program at an eligible institution, the total amount of which equal or exceed \$28,500 as of the time of disbursement, the student may continue to borrow the amount of loans under this part necessary to complete such program without regard to the aggregate limit under clause (ii) of this subparagraph, except that the—

“(I) amount of such loans shall not exceed the annual limits under clause (i) of this subparagraph for any academic year beginning after June 30, 2019; and

“(II) authority to borrow loans in accordance with this subclause shall terminate at the end of the academic year ending before September 30, 2024.

“(c) INTEREST RATE PROVISIONS FOR FEDERAL ONE LOANS.—

“(1) UNDERGRADUATE ONE LOANS.—For Federal ONE Loans issued to undergraduate students, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

“(A) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 2.05 percent; or

“(B) 8.25 percent.

“(2) GRADUATE AND PROFESSIONAL ONE LOANS.—For Federal ONE Loans issued to graduate or professional students, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

“(A) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 3.6 percent; or

“(B) 9.5 percent.

“(3) PARENT ONE LOANS.—For Federal ONE Parent Loans, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

“(A) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 4.6 percent; or

“(B) 10.5 percent.

“(4) CONSOLIDATION LOANS.—Any Federal ONE Consolidation Loan for which the application is received on or after July 1, 2019, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent.

“(5) PUBLICATION.—The Secretary shall determine the applicable rates of interest under this subsection after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.

“(6) RATE.—The applicable rate of interest determined under this subsection for a loan under this part shall be fixed for the period of the loan.

“(d) PROHIBITION ON CERTAIN REPAYMENT INCENTIVES.—Notwithstanding any other provision of this part, the Secretary is prohibited from authorizing or providing any repayment incentive or subsidy not otherwise authorized under this part to encourage on-time repayment of a loan under this part, including any reduction in the interest paid by a borrower of such a loan, except that the Secretary may provide for an interest rate reduction of not more than 0.25 percentage points for a borrower who agrees to have payments on such a loan automatically debited from a bank account.

“(e) LOAN FEE.—The Secretary shall not charge the borrower of a loan made under this part an origination fee.

“(f) ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.—

“(1) AUTHORITY.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest on a loan made under this part to a member of the Armed Forces, the Secretary shall pay the interest on the loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest on such a loan out of any funds other than funds that have been so transferred.

“(2) DEFERMENT.—During the period in which the Secretary is making payments on a loan under paragraph (1), the Secretary shall grant the borrower administrative deferment, in the form of a temporary cessation of all payments on the loan other than the payments of interest on the loan that are made under that paragraph.

“(g) NO ACCRUAL OF INTEREST FOR ACTIVE DUTY SERVICE MEMBERS.—

“(1) IN GENERAL.—Notwithstanding any other provision of this part and in accordance with paragraphs (2) and (4), interest shall not accrue for an eligible military borrower on a loan made under this part.

“(2) CONSOLIDATION LOANS.—In the case of any consolidation loan made under this part, interest shall not accrue pursuant to this subsection only on such portion of such loan as was used to repay a loan made under this part or a loan made under part D for which the first disbursement was made on or after October 1, 2008, and before July 1, 2019.

“(3) ELIGIBLE MILITARY BORROWER.—In this subsection, the term ‘eligible military borrower’ means an individual who—

“(A)(i) is serving on active duty during a war or other military operation or national emergency; or

“(ii) is performing qualifying National Guard duty during a war or other military operation or national emergency; and

“(B) is serving in an area of hostilities in which service qualifies for special pay under section 310 of title 37, United States Code.

“(4) LIMITATION.—An individual who qualifies as an eligible military borrower under this subsection may receive the benefit of this subsection for not more than 60 months.

“SEC. 466. REPAYMENT.

“(a) REPAYMENT PERIOD; COMMENCEMENT OF REPAYMENT.—

“(1) REPAYMENT PERIOD.—

“(A) IN GENERAL.—In the case of a Federal ONE Loan (other than a Federal ONE Consolidation Loan or a Federal ONE Parent Loan)—

“(i) subject to clause (ii), the repayment period shall—

“(I) exclude any period of authorized deferment under section 469A; and

“(II) begin the day after 6 months after the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution); and

“(ii) interest shall begin to accrue or be paid by the borrower on the day the loan is disbursed.

“(B) CONSOLIDATION AND PARENT LOANS.—In the case of a Federal ONE Consolidation Loan or a Federal ONE Parent Loan, the repayment period shall—

“(i) exclude any period of authorized deferment; and

“(ii) begin—

“(I) on the day the loan is disbursed; or

“(II) if the loan is disbursed in multiple installments, on the day of the last such disbursement.

“(C) ACTIVE DUTY EXCLUSION.—There shall be excluded from the 6-month period that begins on the date on which a student ceases to carry at least one-half the normal full-time academic workload as described in subparagraph (A) any period not to exceed 3 years during which a borrower who is a member of a reserve component of the Armed Forces named in section

10101 of title 10, United States Code, is called or ordered to active duty for a period of more than 30 days (as defined in section 101(d)(2) of such title). Such period of exclusion shall include the period necessary to resume enrollment at the borrower's next available regular enrollment period.

“(2) PAYMENT OF PRINCIPAL AND INTEREST.—

“(A) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this part shall begin at the beginning of the repayment period described in paragraph (1).

“(B) CAPITALIZATION OF INTEREST.—

“(i) IN GENERAL.—Interest on loans made under this part for which payments of principal are not required during the 6-month period described in paragraph (1)(A)(i)(II) or for which payments are deferred under section 469A shall—

“(I) be paid monthly or quarterly; or

“(II) be added to the principal amount of the loan only—

“(aa) when the loan enters repayment;

“(bb) at the expiration of a the 6-month period described in paragraph (1)(A)(i)(II);

“(cc) at the expiration of a period of deferment, unless otherwise exempted; or

“(dd) when the borrower defaults.

“(ii) MAXIMUM AGGREGATE LIMIT.—Interest capitalized shall not be deemed to exceed the amount equal to the maximum aggregate limit of the loan under section 465(b).

“(C) NOTICE.—Not less than 60 days, and again not less than 30 days, prior to the anticipated commencement of the repayment period for a Federal ONE Loan, the Secretary shall provide notice to the borrower—

“(i) that interest will accrue before repayment begins;

“(ii) that interest will be added to the principal amount of the loan in the cases described in subparagraph (B)(i)(II); and

“(iii) of the borrower's option to begin loan repayment prior to such repayment period.

“(b) REPAYMENT AMOUNT.—

“(1) IN GENERAL.—The total of the payments by a borrower, except as otherwise provided by an income-based repayment plan under subsection (d), during any year of any repayment period with respect to the aggregate amount of all loans made under this part to the borrower shall not (unless the borrower and the Secretary otherwise agree), be less than \$600 or the balance of all such loans (together with interest thereon), whichever amount is less (but in no instance less than the amount of interest due and payable, notwithstanding any repayment plan described in subsection (c)).

“(2) AMORTIZATION.—

“(A) INTEREST RATE.—The amount of the periodic payment and the repayment schedule for a loan made under this part shall be established by assuming an interest rate equal to the applicable rate of interest at the time of the first disbursement of the loan.

“(B) ADJUSTMENT TO REPAYMENT AMOUNT.—The note or other written evidence of a loan under this part shall require that the amount of the periodic payment will be adjusted annually in order to reflect adjustments in—

“(i) interest rates occurring as a consequence of variable rate loans under parts B or D paid in conjunction with Federal ONE Loans under subsection (d)(1)(B)(i); or

“(ii) principal occurring as a consequence of interest capitalization under subsection (a)(2)(B).

“(c) REPAYMENT PLANS.—

“(1) DESIGN AND SELECTION.—Not more than 6 months prior to the date on which a borrower's first payment on a loan made under this part is due, the Secretary shall offer the borrower two plans for repayment of such loan, including principal and interest on the loan. The borrower shall be entitled to accelerate, without penalty, repayment on the borrower's loans under this part. The borrower may choose—

“(A) a standard repayment plan with a fixed monthly repayment amount paid over a fixed period of time, not to exceed 10 years; or

“(B) an income-based repayment plan under subsection (d).

“(2) SELECTION BY SECRETARY.—If a borrower of a loan made under this part does not select a repayment plan described in paragraph (1), the Secretary shall provide the borrower with the repayment plan described in paragraph (1)(A).

“(3) CHANGES IN SELECTIONS.—

“(A) IN GENERAL.—Subject to subparagraph (B), the borrower of a loan made under this part may change the borrower’s selection of a repayment plan under paragraph (1), or the Secretary’s selection of a plan for the borrower under paragraph (2), as the case may be, under such terms and conditions as may be established by the Secretary, except that the Secretary may not establish any terms or conditions with respect to whether a borrower may change the borrower’s repayment plan. Nothing in this subsection shall prohibit the Secretary from encouraging struggling borrowers from enrolling in the income-driven repayment plan described in section 466(d).

“(B) SAME REPAYMENT PLAN REQUIRED.—All loans made under this part to a borrower shall be repaid under the same repayment plan under paragraph (1), except that the borrower may repay a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan (as defined in subsection (d)(5)) separately from other loans made under this part to the borrower.

“(4) REPAYMENT AFTER DEFAULT.—The Secretary may require any borrower who has defaulted on a loan made under this part to—

“(A) pay all reasonable collection costs associated with such loan; and

“(B) repay the loan pursuant to the income-based repayment plan under subsection (d).

“(5) REPAYMENT PERIOD.—For purposes of calculating the repayment period under this subsection, such period shall commence at the time the first payment of principal is due from the borrower.

“(6) INSTALLMENTS.—Repayment of loans under this part shall be in installments in accordance with the repayment plan selected under paragraph (1) and commencing at the beginning of the repayment period determined under paragraph (5).

“(d) INCOME-BASED REPAYMENT PROGRAM.—

“(1) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary shall carry out a program under which—

“(A) a borrower of any loan made under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan) may elect to have the borrower’s aggregate monthly payment for all such loans—

“(i) not to exceed the result obtained by dividing by 12, 15 percent of the result obtained by calculating, on at least an annual basis, the amount by which—

“(I) the adjusted gross income of the borrower or, if the borrower is married and files a Federal income tax return jointly with or separately from the borrower’s spouse, the adjusted gross income of the borrower and the borrower’s spouse; exceeds

“(II) 150 percent of the poverty line applicable to the borrower’s family size as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)); and

“(ii) not to be less than \$25;

“(B) the Secretary adjusts the calculated monthly payment under subparagraph (A), if—

“(i) in addition to the loans described in subparagraph (A), the borrower has an outstanding loan made under part B or D (other than an excepted parent loan or an excepted consolidation loan, as such terms are defined in section 493C(a)), by determining the borrower’s adjusted monthly payment by multiplying—

“(I) the calculated monthly payment, by

“(II) the percentage of the total outstanding principal amount of the borrower’s loans described in the matter preceding subclause (I), which are described in subparagraph (A);

“(ii) the borrower and borrower’s spouse have loans described in subparagraph (A) and outstanding loans under part B or D (other than an excepted parent loan or an excepted consolidation loan, as such terms are defined in section 493C(a)) and have filed a joint or separate Federal income tax return, in which case the Secretary determines—

“(I) each borrower’s percentage of the couple’s total outstanding amount of principal on such loans;

“(II) the adjusted monthly payment for each borrower by multiplying the borrower’s calculated monthly payment by the percentage determined under subclause (I) applicable to the borrower; and

“(III) if the borrower’s loans are held by multiple holders, the borrower’s adjusted monthly payment for loans described in subparagraph (A) by multiplying the adjusted monthly payment determined under subclause (II) by the percentage of the total out-

standing principal amount of the borrower's loans described in the matter preceding subclause (I), which are described in subparagraph (A);

“(C) the holder of such a loan shall apply the borrower's monthly payment under this subsection first toward interest due on the loan, next toward any fees due on the loan, and then toward the principal of the loan;

“(D) any principal due and not paid under subparagraph (C) shall be deferred;

“(E) any interest due and not paid under subparagraph (C) shall be capitalized, at the time the borrower—

“(i) ends the election to make income-based repayment under this subsection; or

“(ii) begins making payments of not less than the amount specified in subparagraph (G)(i);

“(F) the amount of time the borrower makes monthly payments under subparagraph (A) may exceed 10 years;

“(G) if the borrower no longer wishes to continue the election under this subsection, then—

“(i) the maximum monthly payment required to be paid for all loans made to the borrower under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan) shall not exceed the monthly amount calculated under subsection (c)(1)(A), based on a 10-year repayment period, when the borrower first made the election described in this subsection; and

“(ii) the amount of time the borrower is permitted to repay such loans may exceed 10 years;

“(H) the Secretary shall cancel any outstanding balance (other than an amount equal to the interest accrued during any period of in-school deferment under subparagraph (A), (B), or (F) of section 469A(b)(1)) due on all loans made under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan) to a borrower—

“(i) who, at any time, elected to participate in income-based repayment under subparagraph (A);

“(ii) whose final monthly payment for such loans prior to the loan cancellation under this subparagraph was made under such income-based repayment; and

“(iii) who has repaid, pursuant to income-based repayment under subparagraph (A), a standard repayment plan under subsection (c)(1)(A), or a combination—

“(I) an amount on such loans that is equal to the total amount of principal and interest that the borrower would have repaid under a standard repayment plan under subsection (c)(1)(A), based on a 10-year repayment period, when the borrower entered repayment on such loans; and

“(II) the amount of interest that accrues during a period of deferment described in section 469A prior to the completion of the repayment period described in subclause (I) on the portion of such loans remaining to be repaid in accordance with such subclause; and

“(I) a borrower who is repaying a loan made under this part pursuant to income-based repayment under subparagraph (A) may elect, at any time during the 10-year period beginning on the date the borrower entered repayment on the loan, to terminate repayment pursuant to such income-based repayment and repay such loan under the standard repayment plan.

“(2) ELIGIBILITY DETERMINATIONS.—

“(A) IN GENERAL.—The Secretary shall establish procedures for annual verification of a borrower's annual income and the annual amount due on the total amount of loans made under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan), and such other procedures as are necessary to implement effectively income-based repayment under this subsection, including the procedures established with respect to section 493C.

“(B) INCOME INFORMATION.—The Secretary may obtain such information as is reasonably necessary regarding the income of a borrower (and the borrower's spouse, if applicable) of a loan made under this part that is, or may be, repaid pursuant to income-based repayment under this subsection, for the purpose of determining the annual repayment obligation of the borrower. The Secretary shall establish procedures for determining the borrower's repayment obligation on that loan for such year, and such other

procedures as are necessary to implement effectively the income-based repayment under this subsection.

“(C) BORROWER REQUIREMENTS.—A borrower who chooses to repay a loan made under this part pursuant to income-based repayment under this subsection, and—

“(i) for whom adjusted gross income is available and reasonably reflects the borrower’s current income, shall, to the maximum extent practicable, provide to the Secretary the Federal tax information of the borrower; and

“(ii) for whom adjusted gross income is unavailable or does not reasonably reflect the borrower’s current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine an appropriate repayment schedule.

“(3) NOTIFICATION TO BORROWERS.—The Secretary shall establish procedures under which a borrower of a loan made under this part who chooses to repay such loan pursuant to income-based repayment under this subsection is notified of the terms and conditions of such plan, including notification that if a borrower considers that special circumstances, such as a loss of employment by the borrower or the borrower’s spouse, warrant an adjustment in the borrower’s loan repayment as determined using the borrower’s Federal tax return information, or the alternative documentation described in paragraph (2)(C), the borrower may contact the Secretary, who shall determine whether such adjustment is appropriate, in accordance with criteria established by the Secretary.

“(4) REDUCED PAYMENT PERIODS.—

“(A) IN GENERAL.—The Secretary shall authorize borrowers meeting the criteria under subparagraph (B) to make monthly payments of \$5 for a period not in excess of 3 years, except that—

“(i) for purposes of subparagraph (B)(i), the Secretary may authorize reduced payments in 6-month increments, beginning on the date the borrower provides to the Secretary the evidence described in subclause (I) or (II) of subparagraph (B)(i); and

“(ii) for purposes of subparagraph (B)(ii), the Secretary may authorize reduced payments in 3-month increments, beginning on the date the borrower provides to the Secretary the evidence described in subparagraph (B)(ii)(I).

“(B) ELIGIBILITY DETERMINATIONS.—The Secretary shall authorize borrowers to make reduced payments under this paragraph in the following circumstances:

“(i) In a case of borrower who is seeking and unable to find full-time employment, as demonstrated by providing to the Secretary—

“(I) evidence of the borrower’s eligibility for unemployment benefits to the Secretary; or

“(II) a written certification or an equivalent that—

“(aa) the borrower has registered with a public or private employment agency that is available to the borrower within a 50-mile radius of the borrower’s home address; and

“(bb) in the case of a borrower that has been granted a request under this subparagraph, the borrower has made at least six diligent attempts during the preceding six-month period to secure full-time employment.

“(ii) The Secretary determines that, due to high medical expenses, the \$25 monthly payment the borrower would otherwise make would be an extreme economic hardship to the borrower, if—

“(I) the borrower documents the reason why the \$25 minimum payment is an extreme economic hardship; and

“(II) the borrower recertifies the reason for the \$5 minimum payment on a three-month basis.

“(C) DEFINITION.—For purpose of this section, the term ‘full-time employment’ means employment that will provide not less than 30 hours of work a week and is expected to continue for a period of not less than 3 months.

“(5) DEFINITIONS.—In this subsection:

“(A) ADJUSTED GROSS INCOME.—The term ‘adjusted gross income’ has the meaning given the term in section 62 of the Internal Revenue Code of 1986.

“(B) EXCEPTED FEDERAL ONE CONSOLIDATION LOAN.—The term ‘Excepted Federal ONE Consolidation Loan’ means a Federal ONE Consolidation Loan if the proceeds of such loan were used to discharge the liability on—

“(i) a Federal ONE Parent Loan;

- “(ii) a Federal Direct PLUS Loan, or a loan under section 428B, that is made, insured, or guaranteed on behalf of a dependent student;
 - “(iii) an excepted consolidation loan (defined in section 493C); or
 - “(iv) a Federal ONE Consolidation loan that was used to discharge the liability on a loan described in clause (i), (ii), or (iii).
- “(e) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to authorize, with respect to loans made under this part—
- “(1) eligibility for a repayment plan that is not described in subsection (c)(1) or section 468(c); or
 - “(2) the Secretary to—
 - “(A) carry out a repayment plan, which is not described in subsection (c)(1) or section 468(c); or
 - “(B) modify a repayment plan that is described in subsection (c)(1) or section 468(c).

“SEC. 467. FEDERAL ONE PARENT LOANS.

“(a) AUTHORITY TO BORROW.—

“(1) AUTHORITY AND ELIGIBILITY.—The parent of a dependent student shall be eligible to borrow funds under this section in amounts specified in subsection (b), if—

“(A) the parent is borrowing to pay for the educational costs of a dependent student who meets the requirements for an eligible student under section 484(a);

“(B) the parent meets the applicable requirements concerning defaults and overpayments that apply to a student borrower;

“(C) the parent complies with the requirements for submission of a statement of educational purpose that apply to a student borrower under section 484(a)(4)(A) (other than the completion of a statement of selective service registration status);

“(D) the parent meets the requirements that apply to a student under section 437(a);

“(E) the parent—

“(i) does not have an adverse credit history; or

“(ii) has an adverse credit history, but has—

“(I) obtained an endorser who does not have an adverse credit history or documented to the satisfaction of the Secretary that extenuating circumstances exist in accordance with paragraph (4)(D); and

“(II) completed Federal ONE Parent Loan counseling offered by the Secretary; and

“(F) in the case of a parent who has been convicted of, or has pled nolo contendere or guilty to, a crime involving fraud in obtaining funds under this title, such parent has completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud.

“(2) TERMS, CONDITIONS, AND BENEFITS.—Except as provided in subsections (c), (d), and (e), loans made under this section shall have the same terms, conditions, and benefits as all other loans made under this part.

“(3) PARENT BORROWERS.—

“(A) DEFINITION.—For purposes of this section, the term ‘parent’ includes a student’s biological or adoptive mother or father or the student’s step-parent, if the biological parent or adoptive mother or father has remarried at the time of filing the common financial reporting form under section 483(a), and that spouse’s income and assets would have been taken into account when calculating the student’s expected family contribution.

“(B) CLARIFICATION.—Whenever necessary to carry out the provisions of this section, the terms ‘student’ and ‘borrower’ as used in this part shall include a parent borrower under this section.

“(4) ADVERSE CREDIT HISTORY DEFINITIONS AND ADJUSTMENTS.—

“(A) DEFINITIONS.—For purposes of this section:

“(i) IN GENERAL.—The term ‘adverse credit history’, when used with respect to a borrower, means that the borrower—

“(I) has one or more debts with a total combined outstanding balance equal to or greater than \$2,085, as may be adjusted by the Secretary in accordance with subparagraph (B), that—

“(aa) are 90 or more days delinquent as of the date of the credit report; or

“(bb) have been placed in collection or charged off during the two years preceding the date of the credit report; or

“(II) has been the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or write-off of a debt under this title during the 5 years preceding the date of the credit report.

“(ii) CHARGED OFF.—The term ‘charged off’ means a debt that a creditor has written off as a loss, but that is still subject to collection action.

“(iii) IN COLLECTION.—The term ‘in collection’ means a debt that has been placed with a collection agency by a creditor or that is subject to more intensive efforts by a creditor to recover amounts owed from a borrower who has not responded satisfactorily to the demands routinely made as part of the creditor’s billing procedures.

“(B) ADJUSTMENTS.—

“(i) IN GENERAL.—In a case of a borrower with a debt amount described in subparagraph (A)(i), the Secretary shall increase such debt amount, or its inflation-adjusted equivalent, if the Secretary determines that an inflation adjustment to such debt amount would result in an increase of \$100 or more to such debt amount.

“(ii) INFLATION ADJUSTMENT.—In making the inflation adjustment under clause (i), the Secretary shall—

“(I) use the annual average percent change of the All Items Consumer Price Index for All Urban Consumers, before seasonal adjustment, as the measurement of inflation; and

“(II) if the adjustment calculated under subclause (I) is equal to or greater than \$100—

“(aa) add the adjustment to the debt amount, or its inflation-adjusted equivalent; and

“(bb) round up to the nearest \$5.

“(iii) PUBLICATION.—The Secretary shall publish a notice in the Federal Register announcing any increase to the threshold amount specified in subparagraph (A)(i)(I).

“(C) TREATMENT OF ABSENCE OF CREDIT HISTORY.—For purposes of this section, the Secretary shall not consider the absence of a credit history as an adverse credit history and shall not deny a Federal ONE Parent loan on that basis.

“(D) EXTENUATING CIRCUMSTANCES.—For purposes of this section, the Secretary may determine that extenuating circumstances exist based on documentation that may include—

“(i) an updated credit report for the parent; or

“(ii) a statement from the creditor that the parent has repaid or made satisfactory arrangements to repay a debt that was considered in determining that the parent has an adverse credit history

“(b) LIMITATION BASED ON NEED.—Any loan under this section may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any parent under this section for any academic year in excess of the lesser of—

“(1) the student’s estimated cost of attendance minus the student’s estimated financial assistance (as calculated under section 465(b)(1)(A)); or

“(2) the established annual loan limits for such loan under section 465(b).

“(c) PARENT LOAN DISBURSEMENT.—All loans made under this section shall be disbursed in accordance with the requirements of section 465(a) and shall be disbursed by—

“(1) an electronic transfer of funds from the lender to the eligible institution;

or

“(2) a check copayable to the eligible institution and the parent borrower.

“(d) PAYMENT OF PRINCIPAL AND INTEREST.—

“(1) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this section shall commence not later than 60 days after the date such loan is disbursed by the Secretary, subject to deferral—

“(A) during any period during which the parent borrower meets the conditions required for a deferral under section 469A; and

“(B) upon the request of the parent borrower, during the 6-month period beginning, if the parent borrower is also a student, the day after the date such parent borrower ceases to carry at least one-half such a workload.

“(2) MAXIMUM REPAYMENT PERIOD.—The maximum repayment period for a loan made under this section shall be a 10-year period beginning on the commencement of such period described in paragraph (1).

“(3) CAPITALIZATION OF INTEREST.—Interest on loans made under this section for which payments of principal are deferred pursuant to paragraph (1) shall, if agreed upon by the borrower and the Secretary—

- “(A) be paid monthly or quarterly; or
- “(B) be added to the principal amount of the loan not more frequently than quarterly by the Secretary.
- “(4) APPLICABLE RATES OF INTEREST.—Interest on loans made pursuant to this section shall be at the applicable rate of interest provided in section 465(c)(3) for loans made under this section.
- “(5) AMORTIZATION.—Section 466(b)(2) shall apply to each loan made under this section.
- “(e) VERIFICATION OF IMMIGRATION STATUS AND SOCIAL SECURITY NUMBER.—A parent who wishes to borrow funds under this section shall be subject to verification of the parent’s—
 - “(1) immigration status in the same manner as immigration status is verified for students under section 484(g); and
 - “(2) social security number in the same manner as social security numbers are verified for students under section 484(p).
- “(f) DESIGNATION.—For purposes of this Act, the Federal ONE Loans described in this section shall be known as ‘Federal ONE Parent Loans’.

SEC. 468. FEDERAL ONE CONSOLIDATION LOANS.

- “(a) TERMS AND CONDITIONS.—In making consolidation loans under this section, the Secretary shall—
 - “(1) not make such a loan to an eligible borrower, unless the Secretary has determined, in accordance with reasonable and prudent business practices, for each loan being consolidated, that the loan—
 - “(A) is a legal, valid, and binding obligation of the borrower; and
 - “(B) was made and serviced in compliance with applicable laws and regulations;
 - “(2) ensure that each consolidation loan made under this section will bear interest, and be subject to repayment, in accordance with subsection (c), except as otherwise provided under subsections (f) and (g) of section 465;
 - “(3) ensure that each consolidation loan will be made, notwithstanding any other provision of this part limiting the annual or aggregate principal amount for all loans made to a borrower, in an amount which is equal to the sum of the unpaid principal and accrued unpaid interest and late charges of all eligible student loans received by the eligible borrower which are selected by the borrower for consolidation;
 - “(4) ensure that the proceeds of each consolidation loan will be paid by the Secretary to the holder or holders of the loans so selected to discharge the liability on such loans;
 - “(5) disclose to a prospective borrower, in simple and understandable terms, at the time the Secretary provides an application for a consolidation loan—
 - “(A) with respect to a loan made, insured, or guaranteed under this part, part B, or part D, that if a borrower includes such a loan in the consolidation loan—
 - “(i) that the consolidation would result in a loss of loan benefits; and
 - “(ii) which specific loan benefits the borrower would lose, including the loss of eligibility for loan forgiveness (including loss of eligibility for interest rate forgiveness), cancellation, deferment, forbearance, interest-free periods, or loan repayment programs that would have been available for such a loan; and
 - “(B) with respect to Federal Perkins Loans under this part (as this part was in effect on the day before the date of enactment of the PROSPER Act)—
 - “(i) that if a borrower includes such a Federal Perkins Loan in the consolidation loan, the borrower will lose all interest-free periods that would have been available for the Federal Perkins Loan, such as—
 - “(I) the periods during which no interest accrues on such loan while the borrower is enrolled in an institution of higher education at least half-time;
 - “(II) the grace period under section 464(c)(1)(A) (as such section was in effect on the day before the date of enactment of the PROSPER Act); and
 - “(III) the periods during which the borrower’s student loan repayments are deferred under section 464(c)(2) (as such section was in effect on the day before the date of enactment of the PROSPER Act); and
 - “(ii) that if a borrower includes such a Federal Perkins Loan in the consolidation loan, the borrower will no longer be eligible for cancellation of part or all of the Federal Perkins Loan under section 465(a) (as

- such section was in effect on the day before the date of enactment of the PROSPER Act); and
- “(iii) the occupations listed in section 465 that qualify for Federal Perkins Loan cancellation under section 465(a) (as such section was in effect on the day before the date of enactment of the PROSPER Act);
- “(C) the repayment plans that are available to the borrower under section (c);
- “(D) the options of the borrower to prepay the consolidation loan, to pay such loan on a shorter schedule, and to change repayment plans;
- “(E) the consequences of default on the consolidation loan; and
- “(F) that by applying for a consolidation loan, the borrower is not obligated to agree to take the consolidation loan; and
- “(6) not make such a loan to an eligible borrower, unless—
- “(A) the borrower has agreed to notify the Secretary promptly concerning any change of address; and
- “(B) the loan is evidenced by a note or other written agreement which—
- “(i) is made without security and without endorsement, except that if—
- “(I) the borrower is a minor and such note or other written agreement executed by him or her would not, under applicable law, create a binding obligation, endorsement may be required; or
- “(II) the borrower desires to include in the consolidation loan, a Federal ONE Parent Loan, or a loan under section 428B, or a Federal Direct PLUS loan, made on behalf of a dependent student, endorsement shall be required;
- “(ii) provides for the payment of interest and the repayment of principal as described in paragraph (2);
- “(iii) provides that during any period for which the borrower would be eligible for a deferral under section 469A, which period shall not be included in determining the repayment schedule pursuant to subsection (c)—
- “(I) periodic installments of principal need not be paid, but interest shall accrue and be paid by the borrower or be capitalized; and
- “(II) except as otherwise provided under subsections (f) and (g) of section 465, the Secretary shall not pay interest on any portion of the consolidation loan, without regard to whether the portion repays Federal Stafford Loans for which the student borrower received an interest subsidy under section 428 or Federal Direct Stafford Loans for which the borrower received an interest subsidy under section 455;
- “(iv) entitles the borrower to accelerate without penalty repayment of the whole or any part of the loan; and
- “(v) contains a notice of the system of disclosure concerning such loan to consumer reporting agencies under section 430A, and provides that the Secretary on request of the borrower will provide information on the repayment status of the note to such consumer reporting agencies.
- “(b) NONDISCRIMINATION IN LOAN CONSOLIDATION.—The Secretary shall not discriminate against any borrower seeking a loan under this section—
- “(1) based on the number or type of eligible student loans the borrower seeks to consolidate;
- “(2) based on the type or category of institution of higher education that the borrower attended;
- “(3) based on the interest rate to be charged to the borrower with respect to the consolidation loan; or
- “(4) with respect to the types of repayment schedules offered to such borrower.
- “(c) PAYMENT OF PRINCIPAL AND INTEREST.—
- “(1) REPAYMENT SCHEDULES.—
- “(A) ESTABLISHMENT.—
- “(i) IN GENERAL.—Notwithstanding any other provision of this part, the Secretary shall—
- “(I) establish repayment terms as will promote the objectives of this section; and
- “(II) provide a borrower with the option of the standard-repayment plan or income-based repayment plan under section 466(d) in lieu of such repayment terms.
- “(ii) SCHEDULE TERMS.—The repayment terms established under clause (i)(I) shall require that if the sum of the consolidation loan and

the amount outstanding on other eligible student loans to the individual—

“(I) is less than \$7,500, then such consolidation loan shall be repaid in not more than 10 years;

“(II) is equal to or greater than \$7,500 but less than \$10,000, then such consolidation loan shall be repaid in not more than 12 years;

“(III) is equal to or greater than \$10,000 but less than \$20,000, then such consolidation loan shall be repaid in not more than 15 years;

“(IV) is equal to or greater than \$20,000 but less than \$40,000, then such consolidation loan shall be repaid in not more than 20 years;

“(V) is equal to or greater than \$40,000 but less than \$60,000, then such consolidation loan shall be repaid in not more than 25 years; or

“(VI) is equal to or greater than \$60,000, then such consolidation loan shall be repaid in not more than 30 years.

“(B) LIMITATION.—The amount outstanding on other eligible student loans which may be counted for the purpose of subparagraph (A) may not exceed the amount of the consolidation loan.

“(2) ADDITIONAL REPAYMENT REQUIREMENTS.—Notwithstanding paragraph (1)—

“(A) except in the case of an income-based repayment schedule under section 466(d), a repayment schedule established with respect to a consolidation loan shall require that the minimum installment payment be an amount equal to not less than the accrued unpaid interest; and

“(B) an income-based repayment schedule under section 466(d) shall not be available to a consolidation loan borrower who—

“(i) used the proceeds of a Federal ONE Consolidation loan to discharge the liability—

“(I) on a loan under section 428B made on behalf of a dependent student;

“(II) a Federal Direct PLUS loan made on behalf of a dependent student;

“(III) a Federal ONE Parent loan; or

“(IV) an excepted consolidation loan (defined in section 493C); or

“(ii) used the proceeds of a subsequent Federal ONE Consolidation loan to discharge the liability on a Federal ONE Consolidation loan described in clause (i).

“(3) COMMENCEMENT OF REPAYMENT.—Repayment of a consolidation loan shall commence within 60 days after all holders have, pursuant to subsection (a)(4), discharged the liability of the borrower on the loans selected for consolidation.

“(4) INTEREST RATE.—A consolidation loan made under this section shall bear interest at an annual rate described in section 465(c)(4).

“(d) INSURANCE RULE.—Any insurance premium paid by the borrower under subpart I of part A of title VII of the Public Health Service Act with respect to a loan made under that subpart and consolidated under this section shall be retained by the student loan insurance account established under section 710 of the Public Health Service Act.

“(e) DEFINITIONS.—For the purpose of this section:

“(1) ELIGIBLE BORROWER.—

“(A) IN GENERAL.—The term ‘eligible borrower’ means a borrower who—

“(i) is not subject to a judgment secured through litigation with respect to a loan under this title or to an order for wage garnishment under section 488A; and

“(ii) at the time of application for a consolidation loan—

“(I) is in repayment status as determined under section 466(a)(1);

“(II) is in a grace period preceding repayment; or

“(III) is a defaulted borrower who has made arrangements to repay the obligation on the defaulted loans satisfactory to the holders of the defaulted loans.

“(B) TERMINATION OF STATUS AS AN ELIGIBLE BORROWER.—An individual’s status as an eligible borrower under this section terminates upon receipt of a consolidation loan under this section, except that—

“(i) an individual who receives eligible student loans after the date of receipt of the consolidation loan may receive a subsequent consolidation loan;

“(ii) loans received prior to the date of the consolidation loan may be added during the 180-day period following the making of the consolidation loan;

“(iii) loans received following the making of the consolidation loan may be added during the 180-day period following the making of the consolidation loan;

“(iv) loans received prior to the date of the first consolidation loan may be added to a subsequent consolidation loan; and

“(v) an individual may obtain a subsequent consolidation loan for the purpose—

“(I) of income-based repayment under section 466(d) only if the loan has been submitted for default aversion or if the loan is already in default;

“(II) of using the no accrual of interest for active duty service members benefit offered under section 465(g); of

“(III) of submitting an application under section 469B(d) for a borrower defense to repayment of a loan made, insured, or guaranteed under this title.

“(2) ELIGIBLE STUDENT LOANS.—For the purpose of paragraph (1), the term ‘eligible student loans’ means loans—

“(A) made, insured, or guaranteed under part B, and first disbursed before July 1, 2010, including loans on which the borrower has defaulted (but has made arrangements to repay the obligation on the defaulted loans satisfactory to the Secretary or guaranty agency, whichever insured the loans);

“(B) made under part D of this title, and first disbursed before July 1, 2019;

“(C) made under this part before September 30, 2017;

“(D) made under this part on or after the date of enactment of the PROSPER Act;

“(E) made under subpart II of part A of title VII of the Public Health Service Act; or

“(F) made under part E of title VIII of the Public Health Service Act.

“(f) DESIGNATION.—For purposes of this Act, the Federal ONE Loans described in this section shall be known as ‘Federal ONE Consolidation Loans’.

“SEC. 469. TEMPORARY LOAN CONSOLIDATION AUTHORITY.

“(a) IN GENERAL.—A borrower who has 1 or more loans in 2 or more of the categories described in subsection (b), and who has not yet entered repayment on 1 or more of those loans in any of the categories, may consolidate all of the loans of the borrower that are described in subsection (b) into a Federal ONE Consolidation Loan during the period described in subsection (c).

“(b) CATEGORIES OF LOANS THAT MAY BE CONSOLIDATED.—The categories of loans that may be consolidated under this section are—

“(1) loans made under this part before October 1, 2017 and on or after July 1, 2019;

“(2) loans purchased by the Secretary pursuant to section 459A;

“(3) loans made under part B that are held by an eligible lender, as such term is defined in section 435(d); and

“(4) loans made under part D.

“(c) TIME PERIOD IN WHICH LOANS MAY BE CONSOLIDATED.—The Secretary may make a Federal ONE Consolidation Loan under this section to a borrower whose application for such Federal ONE Consolidation Loan is received on or after July 1, 2019, and before July 1, 2024.

“(d) TERMS OF LOANS.—A Federal ONE Consolidation Loan made under this subsection shall have the same terms and conditions as a Federal ONE Consolidation Loan made under section 468, except that in determining the applicable rate of interest on the Federal ONE Consolidation Loan made under this section, section 465(c)(4) shall be applied without rounding the weighted average of the interest rate on the loans consolidated to the nearest higher one-eighth of one percent as in such section.

“SEC. 469A. DEFERMENT.

“(a) EFFECT ON PRINCIPAL AND INTEREST.—A borrower of a loan made under this part who meets the requirements described in subsection (b) shall be eligible for a deferment during which installments of principal need not be paid and, unless otherwise provided in this subsection, interest shall accrue and be capitalized or paid by the borrower.

“(b) ELIGIBILITY.—A borrower of a loan made under this part shall be eligible for a deferment—

“(1) during any period during which the borrower—

“(A) is carrying at least one-half the normal full-time work load for the course of study that the borrower is pursuing, as determined by the eligible institution the borrower is attending;

“(B) is pursuing a course of study pursuant to—

“(i) an eligible graduate fellowship program in accordance with subsection (g); or

“(ii) an eligible rehabilitation training program for individuals with disabilities in accordance with subsection (i);

“(C) is serving on active duty during a war or other military operation or national emergency, and for the 180-day period following the demobilization date for such service;

“(D) is performing qualifying National Guard duty during a war or other military operation or national emergency, and for the 180-day period following the demobilization date for such service;

“(E) is a member of the National Guard who is not eligible for a post-active duty deferment under section 493D and is engaged in active State duty for a period of more than 30 consecutive days beginning—

“(i) the day after 6 months after the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution); or

“(ii) the day after the borrower ceases enrollment on at least a half-time basis, for a loan in repayment;

“(F) is serving in a medical or dental internship or residency program, the successful completion of which is required to begin professional practice or service, or is serving in a medical or dental internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers postgraduate training; or

“(G) is eligible for interest payments to be made on a loan made under this part for service in the Armed Forces under section 2174 of title 10, United States Code, and pursuant to that eligibility, the interest is being paid on such loan under section 465(f);

“(2) during a period sufficient to enable the borrower to resume honoring the agreement to repay the outstanding balance of principal and interest on the loan after default, if—

“(A) the borrower signs a new agreement to repay such outstanding balance;

“(B) the deferment period is limited to 120 days; and

“(C) such deferment is not granted for consecutive periods;

“(3) during a period of administrative deferment described in subsection (j); or

“(4) in the case of a borrower of a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan, during a period described in subsection (k).

“(c) LENGTH OF DEFERMENT.—A deferment granted by the Secretary—

“(1) under subparagraph (F) or (G) of subsection (b)(1) shall be renewable at 12 month intervals;

“(2) under subparagraph (F) of subsection (b)(1) shall equal the length of time remaining in the borrower’s medical or dental internship or residency program; and

“(3) under subparagraph (G) of subsection (b)(1) shall not exceed 3 years.

“(d) REQUEST AND DOCUMENTATION.—The Secretary shall determine the eligibility of a borrower for a deferment under paragraphs (1), (2), or (4) of subsection (b), or in the case of a loan for which an endorser is required, an endorser’s eligibility for a deferment under paragraph (2) or (4) or eligibility to request a deferment under paragraph (1), based on—

“(1) the receipt of a request for a deferment from the borrower or the endorser, and documentation of the borrower’s or endorser’s eligibility for the deferment or eligibility to request the deferment;

“(2) receipt of a completed loan application that documents the borrower’s eligibility for a deferment;

“(3) receipt of a student status information documenting that the borrower is enrolled on at least a half-time basis; or

“(4) the Secretary’s confirmation of the borrower’s half-time enrollment status, if the confirmation is requested by the institution of higher education.

“(e) NOTIFICATION.—The Secretary shall—

“(1) notify a borrower of a loan made under this part—

“(A) the granting of a deferment under this subsection on such loan; and

- “(B) the option of the borrower to continue making payments on the outstanding balance of principal and interest on such loan in accordance with subsection (f);
- “(2) at the time the Secretary grants a deferment to a borrower of a loan made under this part, and not less frequently than once every 180 days during the period of such deferment, provide information to the borrower to assist the borrower in understanding—
- “(A) the effect of granting a deferment on the total amount to be paid under the income-based repayment plan under 466(d);
- “(B) the fact that interest will accrue on the loan for the period of deferment, other than for a deferment granted under subsection (b)(1)(G);
- “(C) the amount of unpaid principal and the amount of interest that has accrued since the last statement of such amounts provided to the borrower;
- “(D) the amount of interest that will be capitalized, and the date on which capitalization will occur;
- “(E) the effect of the capitalization of interest on the borrower’s loan principal and on the total amount of interest to be paid on the loan;
- “(F) the option of the borrower to pay the interest that has accrued before the interest is capitalized; and
- “(G) the borrower’s option to discontinue the deferment at any time.
- “(f) FORM OF DEFERMENT.—The form of a deferment granted under this subsection on a loan made under this part shall be temporary cessation of all payments on such loan, except that—
- “(1) in the case of a deferment granted under subsection (b)(1)(G), payments of interest on the loan will be made by the Secretary under section 465(f) during such period of deferment; and
- “(2) a borrower may make payments on the outstanding balance of principal and interest on such loan during any period of deferment granted under this subsection.
- “(g) GRADUATE FELLOWSHIP DEFERMENT.—
- “(1) IN GENERAL.—A borrower of a loan under this part is eligible for a deferment under subsection (b)(1)(B)(i) during any period for which an authorized official of the borrower’s graduate fellowship program certifies that the borrower meets the requirements of paragraph (2) and is pursuing a course of study pursuant to an eligible graduate fellowship program.
- “(2) BORROWER REQUIREMENTS.—A borrower meets the requirements of this subparagraph if the borrower—
- “(A) holds at least a baccalaureate degree conferred by an institution of higher education;
- “(B) has been accepted or recommended by an institution of higher education for acceptance on a full-time basis into an eligible graduate fellowship program; and
- “(C) is not serving in a medical internship or residency program, except for a residency program in dentistry.
- “(h) TREATMENT OF STUDY OUTSIDE THE UNITED STATES.—
- “(1) IN GENERAL.—The Secretary shall treat, in the same manner as required under section 428(b)(4), any course of study at a foreign university that is accepted for the completion of a recognized international fellowship program by the administrator of such a program as an eligible graduate fellowship program.
- “(2) REQUESTS FOR DEFERMENT.—Requests for deferment of repayment of loans under this subsection by students engaged in graduate or postgraduate fellowship-supported study (such as pursuant to a Fulbright grant) outside the United States shall be approved until completion of the period of the fellowship, in the same manner as required under section 428(b)(4).
- “(i) REHABILITATION TRAINING PROGRAM DEFERMENT.—A borrower of a loan under this part is eligible for a deferment under subsection (b)(1)(B)(ii) during any period for which an authorized official of the borrower’s rehabilitation training program certifies that the borrower is pursuing an eligible rehabilitation training program for individuals with disabilities.
- “(j) ADMINISTRATIVE DEFERMENTS.—The Secretary may grant a deferment to a borrower or, in the case of a loan for which an endorser is required, an endorser, without requiring a request and documentation from the borrower or the endorser under subsection (d) for—
- “(1) a period during which the borrower was delinquent at the time a deferment is granted, including a period for which scheduled payments of principal and interest were overdue at the time such deferment is granted;
- “(2) a period during which the borrower or the endorser was granted a deferment under this subsection but for which the Secretary determines the borrower or the endorser should not have qualified;

“(3) a period necessary for the Secretary to determine the borrower’s eligibility for the cancellation of the obligation of the borrower to repay the loan under section 437;

“(4) a period during which the Secretary has authorized deferment due to a national military mobilization or other local or national emergency; or

“(5) a period not to exceed 60 days, during which interest shall accrue but not be capitalized, if the Secretary reasonably determines that a suspension of collection activity is warranted to enable the Secretary to process supporting documentation relating to a borrower’s request—

“(A) for a deferment under this subsection;

“(B) for a change in repayment plan under section 466(c); or

“(C) to consolidate loans under section 468.

“(k) DEFERMENTS FOR PARENT OR EXCEPTED CONSOLIDATION LOANS.—

“(1) IN GENERAL.—A qualified borrower shall be eligible for deferments under paragraphs (3) through (5).

“(2) QUALIFIED BORROWER DEFINED.—In this subsection, the term ‘qualified borrower’ means—

“(A) a borrower of a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan; or

“(B) in the case of such a loan for which an endorser is required, the endorser of such loan.

“(3) ECONOMIC HARDSHIP DEFERMENT.—

“(A) IN GENERAL.—A qualified borrower shall be eligible for a deferment during periods, not to exceed 3 years in total, during which the qualified borrower experiences an economic hardship described in subparagraph (B).

“(B) ECONOMIC HARDSHIP.—An economic hardship described in this clause is a period during which the qualified borrower—

“(i) is receiving payment under a means-tested benefit program;

“(ii) is employed full-time and the monthly gross income of the qualified borrower does not exceed the greater of—

“(I) the minimum wage rate described in section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206); or

“(II) an amount equal to 150 percent of the poverty line; or

“(iii) demonstrates that the sum of the qualified borrower’s monthly payments on the qualified borrower’s Federal ONE Parent Loan or Excepted Federal ONE Consolidation Loan is not less than 20 percent of the qualified borrower’s monthly gross income.

“(C) ELIGIBILITY.—To be eligible to receive a deferment under this subparagraph, a qualified borrower shall submit to the Secretary—

“(i) for the first period of deferment under this subparagraph, evidence showing the monthly gross income of the qualified borrower; and

“(ii) for a subsequent period of deferment that begins less than one year after the end of a period of deferment granted under this subparagraph—

“(I) evidence showing the monthly gross income of the qualified borrower; or

“(II) the qualified borrower’s most recently filed Federal income tax return, if such a return was filed in either of the two tax years preceding the year in which the qualified borrower requests the subsequent period of deferment.

“(4) UNEMPLOYMENT DEFERMENT.—

“(A) IN GENERAL.—A qualified borrower shall be eligible for a deferment for periods during which the qualified borrower is seeking, and is unable to find, full-time employment.

“(B) ELIGIBILITY.—

“(i) IN GENERAL.—To be eligible to receive an deferment under this subparagraph, a qualified borrower shall submit to the Secretary—

“(I) evidence of the qualified borrower’s eligibility for unemployment benefits; or

“(II) written confirmation, or an equivalent as approved by the Secretary, that—

“(aa) the qualified borrower has registered with a public or private employment agency, if one is available to the borrower within 50 miles of the qualified borrower’s address; and

“(bb) for requests submitted after the initial request, the qualified borrower has made at least six diligent attempts during the preceding six-month period to secure full-time employment.

“(ii) ACCEPTANCE OF EMPLOYMENT.—A qualified borrower shall not be eligible for a deferment under this subparagraph if the qualified borrower refuses to seek or accept employment in types of positions or at salary levels or responsibility levels for which the qualified borrower feels overqualified based on the qualified borrower’s education or previous experience.

“(C) TERMS OF DEFERMENT.—The following terms shall apply to a deferment under this subparagraph:

“(i) INITIAL PERIOD.—The first deferment granted to a qualified borrower under this subparagraph may be for a period of unemployment beginning not more than 6 months before the date on which the Secretary receives the qualified borrower’s request for deferment and may be granted for a period of up to 6 months after that date.

“(ii) RENEWALS.—Deferments under this subparagraph shall be renewable at 6-month intervals beginning after the expiration of the first period of deferment under clause (i). To be eligible to renew a deferment under this subparagraph, a qualified borrower shall submit to the Secretary the information described in subparagraph (B)(i).

“(iii) AGGREGATE LIMIT.—The period of all deferments granted to a borrower under this subparagraph may not exceed 3 years in aggregate.

“(5) HEALTH DEFERMENT.—

“(A) IN GENERAL.—A qualified borrower shall be eligible for a deferment during periods in which the qualified borrower is unable to make scheduled loan payments due to high medical expenses, as determined by the Secretary.

“(B) ELIGIBILITY.—To be eligible to receive a deferment under this subparagraph, a qualified borrower shall—

“(i) submit to the Secretary documentation demonstrating that making scheduled loan payments would be an extreme economic hardship to the borrower due to high medical expenses, as determined by the Secretary; and

“(ii) resubmit such documentation to the Secretary not less frequently than once every 3 months.

“(1) PROHIBITIONS.—

“(1) PROHIBITION ON FEES.—No administrative fee or other fee may be charged to the borrower in connection with the granting of a deferment under this subsection.

“(2) PROHIBITION ON ADVERSE CREDIT REPORTING.—No adverse information relating to a borrower may be reported to a consumer reporting agency solely because of the granting of a deferment under this subsection.

“(3) LIMITATION ON AUTHORITY.—The Secretary shall not, through regulation or otherwise, authorize additional deferment options or periods of deferment other than the deferment options and periods of deferment authorized under this subsection.

“(m) TREATMENT OF ENDORSERS.—With respect to any Federal ONE Parent Loan or Federal ONE Consolidation Loan for which an endorser is required—

“(1) paragraphs (2) through (4) of subsection (b) shall be applied—

“(A) by substituting ‘An endorser’ for ‘A borrower’;

“(B) by substituting ‘the endorser’ for ‘the borrower’; and

“(C) by substituting ‘an endorser’ for ‘a borrower’; and

“(2) in the case in which the borrower of such a loan is eligible for a deferment described in subparagraph (C), (D), (E), (F), or (G) of subsection (b)(1), but is not making payments on the loan, the endorser of the loan may request a deferment under such subparagraph for the loan.

“(n) DEFINITIONS.—In this section:

“(1) ELIGIBLE GRADUATE FELLOWSHIP PROGRAM.—The term ‘eligible graduate fellowship program’, when used with respect to a course of study pursued by the borrower of a loan under this part, means a fellowship program that—

“(A) provides sufficient financial support to graduate fellows to allow for full-time study for at least six months;

“(B) requires a written statement from each applicant explaining the applicant’s objectives before the award of that financial support;

“(C) requires a graduate fellow to submit periodic reports, projects, or evidence of the fellow’s progress; and

“(D) in the case of a course of study at an institution of higher education outside the United States described in section 102, accepts the course of study for completion of the fellowship program.

“(2) ELIGIBLE REHABILITATION TRAINING PROGRAM FOR INDIVIDUALS WITH DISABILITIES.—The term ‘eligible rehabilitation training program for individuals with disabilities’, when used with respect a course of study pursued by the borrower of a loan under this part, means a program that—

“(A) is necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining employment;

“(B) is licensed, approved, certified, or otherwise recognized as providing rehabilitation training to disabled individuals by—

“(i) a State agency with responsibility for vocational rehabilitation programs, drug abuse treatment programs, mental health services programs, or alcohol abuse treatment programs; or

“(ii) the Secretary of the Department of Veterans Affairs; and

“(C) provides or will provide the borrower with rehabilitation services under a written plan that—

“(i) is individualized to meet the borrower’s needs;

“(ii) specifies the date on which the services to the borrower are expected to end; and

“(iii) requires a commitment of time and effort from the borrower that prevents the borrower from being employed at least 30 hours per week, either because of the number of hours that must be devoted to rehabilitation or because of the nature of the rehabilitation.

“(3) EXCEPTED FEDERAL ONE CONSOLIDATION LOAN.—The ‘Excepted Federal ONE Consolidation Loan’ have the meaning given the term in section 466(d)(5).

“(4) FAMILY SIZE.—The term ‘family size’ means the number that is determined by counting—

“(A) the borrower;

“(B) the borrower’s spouse;

“(C) the borrower’s children, including unborn children who are expected to be born during the period covered by the deferment, if the children receive more than half their support from the borrower; and

“(D) another individual if, at the time the borrower requests a deferment under this section, the individual—

“(i) lives with the borrower;

“(ii) receives more than half of the individual’s support (which may include money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs) from the borrower; and

“(iii) is expected to receive such support from the borrower during the relevant period of deferment.

“(5) FULL-TIME.—The term ‘full-time’, when used with respect to employment, means employment for not less than 30 hours per week that is expected to continue for not less than three months.

“(6) MEANS-TESTED BENEFIT PROGRAM.—The term ‘means-tested benefit program’ means—

“(A) a State public assistance program under which eligibility for the program’s benefits, or the amount of such benefits, are determined on the basis of income or resources of the individual or family seeking the benefit; or

“(B) a mandatory spending program of the Federal Government, other than a program under this title, under which eligibility for the program’s benefits, or the amount of such benefits, are determined on the basis of income or resources of the individual or family seeking the benefit, and may include such programs as

“(i) the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

“(ii) the supplemental nutrition assistance program under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

“(iii) the free and reduced price school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);

“(iv) the program of block grants for States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

“(v) the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); and

“(vi) other programs identified by the Secretary.

“(7) MONTHLY GROSS INCOME.—The term ‘monthly gross income’, when used with respect to a borrower, means—

“(A) the gross amount of income received by the borrower from employment and other sources for the most recent month; or

“(B) one-twelfth of the borrower’s adjusted gross income, as recorded on the borrower’s most recently filed Federal income tax return.

“SEC. 469B. ADDITIONAL TERMS.

“(a) APPLICABLE PART B PROVISIONS.—

“(1) **DISCLOSURES.**—Except as otherwise provided in this part, section 455(p) shall apply with respect to loans under this part in the same manner that such section applies with respect to loans under part D.

“(2) **OTHER PROVISIONS.**—Except as otherwise provided in this part, the following provisions shall apply with respect to loans made under this part in the same manner that such provisions apply with respect to loans made under part D:

“(A) Section 427(a)(2).

“(B) Section 428(d).

“(C) Section 428F

“(D) Section 430A.

“(E) Paragraphs (1), (2), (4), and (6) of section 432(a).

“(F) Section 432(i).

“(G) Section 432(l).

“(H) Section 432(m), except that an institution of higher education shall have a separate master promissory note under paragraph (1)(D) of such section for loans made under this part.

“(I) Subsections (a), (c), and (d) of section 437.

“(3) **APPLICATION OF PROVISIONS.**—Any provision listed under paragraph (1) or (2) that applies to—

“(A) Federal Direct PLUS Loans made on behalf of dependent students shall apply to Federal ONE Parent Loans;

“(B) Federal Direct PLUS Loans made to students shall apply to Federal ONE Loans for graduate or professional students;

“(C) Federal Direct Unsubsidized Stafford loans shall apply to Federal ONE Loans (other than Federal ONE Consolidation Loans) for any student borrower;

“(D) Federal Direct Consolidation Loans shall apply to Federal ONE Consolidation Loans; and

“(E) forbearance shall apply to deferment under section 469A.

“(b) **ELIGIBLE STUDENT.**—A loan under this part may only be made to a student who—

“(1) is an eligible student under section 484;

“(2) has agreed to notify promptly the Secretary and the applicable contractors with which the Secretary has a contract under section 493E concerning—

“(A) any change of permanent address, telephone number, or email address;

“(B) when the student ceases to be enrolled on at least a half-time basis; and

“(C) any other change in status, when such change in status affects the student’s eligibility for the loan; and

“(3) is carrying at least one-half the normal full-time academic workload for the course of study the student is pursuing (as determined by the institution).

“(c) **LOAN APPLICATION AND PROMISSORY NOTE.**—The common financial reporting form required in section 483(a)(1) shall constitute the application for loans made under this part. The Secretary shall develop, print, and distribute to participating institutions a standard promissory note and loan disclosure form.

“(d) **BORROWER DEFENSES.**—A borrower of a loan under this part may assert a defense to repayment to such loan under the provisions of section 455(h) that apply to a borrower of a loan made under part D asserting, on or after the date of enactment of the PROSPER Act, a defense to repayment to such loan made under part D.

“(e) **IDENTITY FRAUD PROTECTION.**—The Secretary shall ensure that monthly Federal ONE Loan statements and other publications of the Department do not contain more than four digits of the Social Security number of any individual.

“(f) **AUTHORITY TO SELL LOANS.**—The Secretary, in consultation with the Secretary of the Treasury, is authorized to sell loans made under this part on such terms determined to be in the best interest of the United States, except that any such sale shall not result in any cost to the Federal Government.”.

PART F—NEED ANALYSIS

SEC. 471. COST OF ATTENDANCE.

Section 472 (20 U.S.C. 1087ll) is amended—

- (1) by striking paragraph (10); and
- (2) by redesignating paragraphs (11), (12), and (13) as paragraphs (10), (11), and (12), respectively.

SEC. 472. SIMPLIFIED NEEDS TEST.

Section 479(b)(1) (20 U.S.C. 1087ss) is amended by striking “\$50,000” both places it appears and inserting “\$100,000”.

SEC. 473. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

Section 479A (20 U.S.C. 1087tt) is amended—

- (1) in subsection (a), by striking “financial assistance under section 428H or a Federal Direct Unsubsidized Stafford Loan” and inserting “a Federal Direct Unsubsidized Stafford Loan or a Federal ONE Loan”;
- (2) in subsection (c), by striking “part B or D” and inserting “part D or E”;
- and
- (3) by adding at the end the following:

“(d) ADJUSTMENT BASED ON DELIVERY OF INSTRUCTION.—A student’s eligibility to receive grants, loans, or work assistance under this title shall be reduced if a financial aid officer determines, in accordance with the discretionary authority provided under this section, that the model or method used to deliver instruction to the student results in a substantially reduced cost of attendance to the student.”.

SEC. 474. DEFINITIONS OF TOTAL INCOME AND ASSETS.

Section 480 (20 U.S.C. 1087vv) is amended—

- (1) in subsection (a)(1), by striking subparagraph (B) and inserting the following:
 - “(B) Notwithstanding section 478(a), the Secretary shall provide for the use of data from the second preceding tax year to carry out the simplification of applications (including simplification for a subset of applications) used for the estimation and determination of financial aid eligibility. Such simplification shall include the sharing of data between the Internal Revenue Service and the Department, pursuant to the consent of the taxpayer.”; and
- (2) in subsection (f)—
 - (A) in paragraph (2)—
 - (i) in subparagraph (B), by striking “or” at the end;
 - (ii) in subparagraph (C), by striking the period at the end and inserting “; or”; and
 - (iii) by adding at the end the following:
 - “(D) a qualified tuition program (as defined in section 529(b)(1)(A) of the Internal Revenue Code of 1986).”; and
 - (B) in paragraph (5)(A)(i), by striking “qualified tuition program (as defined in section 529(b)(1)(A) of the Internal Revenue Code of 1986) or other”.

PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

SEC. 481. DEFINITIONS OF ACADEMIC YEAR AND ELIGIBLE PROGRAM.

Section 481 (20 U.S.C. 1088) is amended—

- (1) in subsection (a)—
 - (A) in paragraph (2)(A)—
 - (i) by striking “For the” and inserting the following: “Except as provided in paragraph (3), for the”; and
 - (ii) in clause (i), by striking “require a minimum of 30 weeks” and inserting the following: “require—
 - “(I) a minimum of 30 weeks”;
 - (iii) in clause (ii), by striking “require”;
 - (iv) by redesignating clause (ii) as subclause (II) (and by adjusting the margin accordingly); and
 - (v) by redesignating clause (iii) as clause (ii); and
 - (B) by adding at the end the following:
 - “(3)(A) For the purpose of a competency-based education program the term ‘academic year’ shall be the published measured period established by the institution of higher education that is necessary for a student with a normal full-

time workload for the course of study the student is pursuing (as measured using the value of competencies or sets of competencies required by such institution and approved by such institution's accrediting agency or association) to earn—

- “(i) one-quarter of a bachelor's degree;
- “(ii) one-half of an associate's degree; or
- “(iii) with respect to a non-degree or graduate program, the equivalent of a period described in clause (i) or (ii).

“(B)(i) A competency-based education program that is not a term-based program may be treated as a term-based program for purposes of establishing payment periods for disbursement of loans and grants under this title if—

“(I) the institution of higher education that offers such program charges a flat subscription fee for access to instruction during a period determined by the institution; and

“(II) the institution is able to determine the competencies a student is expected to demonstrate for such subscription period.

“(ii) Clause (i) shall apply even in a case in which instruction or other work with respect to a competency that is expected to be attributable to a subscription period begins prior to such subscription period.

“(iii) In a case in which a competency-based education program offered by an institution of higher education is treated as a term-based program under clause (i), the institution shall review the academic progress of each student enrolled in such program in accordance with section 484(c), except that such review shall occur at the end of each payment period.”;

(2) by amending subsection (b) to read as follows:

“(b) ELIGIBLE PROGRAM.—(1) For purposes of this title, the term ‘eligible program’ means—

“(A) a program of at least 300 clock hours of instruction, 8 semester hours, or 12 quarter hours, offered during a minimum of 10 weeks; or

“(B) a competency-based program that—

“(i) has been evaluated and approved by an accrediting agency or association that—

“(I) is recognized by the Secretary under subpart 2 of part H; and

“(II) has evaluation of competency-based education programs within the scope of its recognition in accordance with section 496(a)(4)(C); or

“(ii) as of the day before the date of enactment of the PROSPER Act, met the requirements of a direct assessment program under section 481(b)(4) (as such section was in effect on the day before such date of enactment).

“(2) An eligible program described in paragraph (1) may be offered in whole or in part through telecommunications.

“(3) For purposes of this title, the term ‘eligible program’ does not include a program that loses its eligibility under section 481B(a).

“(4)(A) If an eligible institution enters into a written arrangement with an institution or organization that is not an eligible institution under which such ineligible institution or organization provides the educational program (in whole or in part) of students enrolled in the eligible institution, the educational program provided by such ineligible institution shall be considered to be an eligible program if—

“(i) the ineligible institution or organization has not—

“(I) had its eligibility to participate in the programs under this title terminated by the Secretary;

“(II) voluntarily withdrawn from participation in the programs under this title under a proceeding initiated by the Secretary, accrediting agency or association, guarantor, or the licensing agency for the State in which the institution is located, including a termination, show-cause, or suspension;

“(III) had its certification under subpart 3 of part H to participate in the programs under this title revoked by the Secretary;

“(IV) had its application for recertification under subpart 3 of part H to participate in the programs under this title denied by the Secretary;

or

“(V) had its application for certification under subpart 3 of part H to participate in the programs under this title denied by the Secretary;

“(ii) the educational program offered by the institution that grants the degree or certificate otherwise satisfies the requirements of paragraph (1); and

“(iii)(I) the ineligible institution or organization provides 25 percent or less of the educational program; or

“(II)(aa) the ineligible institution or organization provides more than 25 percent of the educational program; and

“(bb) the eligible institution’s accrediting agency or association has determined that the eligible institution’s arrangement meets the agency’s standards for the contracting out of educational services in accordance with section 496(c)(5)(B)(iv).

“(B) For purposes of subparagraph (A), the term ‘eligible institution’ means an institution described in section 487(a).”; and

(3) in subsection (c)(2), by striking “part B of”.

SEC. 482. PROGRAMMATIC LOAN REPAYMENT RATES.

Part G of title IV (20 U.S.C. 1088 et seq.) is amended, as amended by section 481, is further amended by inserting after section 481A (20 U.S.C. 1088a) the following:

“SEC. 481B. PROGRAMMATIC LOAN REPAYMENT RATES.

“(a) INELIGIBILITY OF AN EDUCATIONAL PROGRAM BASED ON LOW REPAYMENT RATES.—

“(1) **IN GENERAL.—**With respect to fiscal year 2016 and each succeeding fiscal year, an educational program at an institution of higher education whose loan repayment rate is less than 45 percent for each of the 3 most recent fiscal years for which data are available shall not be considered an eligible program for the fiscal year in which the determination is made and for the 2 succeeding fiscal years, unless, not later than 30 days after receiving notification from the Secretary of the loss of eligibility under this paragraph, the institution appeals the loss of such program’s eligibility to the Secretary.

“(2) **APPEAL.—**The Secretary shall issue a decision on any such appeal within 45 days after its submission. Such decision may permit a program to be considered an eligible program, if—

“(A) the institution demonstrates to the satisfaction of the Secretary that—

“(i) the Secretary’s calculation of such program’s loan repayment rate is not accurate; and

“(ii) recalculation would increase such program’s loan repayment rate for any of the 3 fiscal years equal to or greater than 45 percent; or

“(B) the program is not subject to paragraph (1) by reason of paragraph (3).

“(3) **PARTICIPATION RATE INDEX.—**

“(A) **IN GENERAL.—**An institution that demonstrates to the Secretary that a program’s participation rate index is equal to or less than 0.11 for any of the 3 most recent fiscal years for which data is available shall not be subject to paragraph (1).

“(B) **INDEX CALCULATION.—**The participation rate index for a program shall be determined by multiplying—

“(i) the amount of the difference between—

“(I) 1.0; and

“(II) the quotient that results by dividing—

“(aa) the program’s loan repayment rate for a fiscal year, or the weighted average loan repayment rate for a fiscal year, by

“(bb) 100; and

“(ii) the quotient that results by dividing—

“(I) the percentage of the program’s regular students, enrolled on at least a half-time basis, who received a covered loan for a 12-month period ending during the 6 months immediately preceding the fiscal year for which the program’s loan repayment rate or the weighted average loan repayment rate is determined, by

“(II) 100.

“(C) **DATA.—**An institution shall provide the Secretary with sufficient data to determine the program’s participation rate index not later than 30 days after receiving an initial notification of the program’s draft loan repayment rate under subsection (d)(4)(C).

“(D) **NOTIFICATION.—**Prior to publication of a final loan repayment rate under subsection (d)(4)(A) for a program at an institution that provides the data described in subparagraph (C), the Secretary shall notify the institution of the institution’s compliance or noncompliance with subparagraph (A).

“(b) REPAYMENT IMPROVEMENT AND ASSESSMENT OF ELIGIBILITY BASED ON LOW LOAN REPAYMENT RATES.—

“(1) **FIRST YEAR.—**

“(A) IN GENERAL.—An institution with a program whose loan repayment rate is less than 45 percent for any fiscal year shall establish a repayment improvement task force to prepare a plan to—

“(i) identify the factors causing such program’s loan repayment rate to fall below such percent;

“(ii) establish measurable objectives and the steps to be taken to improve the program’s loan repayment rate; and

“(iii) specify actions that the institution can take to improve student loan repayment, including appropriate counseling regarding loan repayment options.

“(B) TECHNICAL ASSISTANCE.—Each institution subject to this paragraph shall submit the plan under subparagraph (A) to the Secretary, who shall review the plan and offer technical assistance to the institution to promote improved student loan repayment.

“(2) SECOND CONSECUTIVE YEAR.—

“(A) IN GENERAL.—An institution with a program whose loan repayment rate is less than 45 percent for two consecutive fiscal years, shall—

“(i) require the institution’s repayment improvement task force established under paragraph (1) to review and revise the plan required under such paragraph; and

“(ii) submit such revised plan to the Secretary.

“(B) REVIEW BY THE SECRETARY.—The Secretary—

“(i) shall review each revised plan submitted in accordance with this paragraph; and

“(ii) may direct that such plan be amended to include actions, with measurable objectives, that the Secretary determines, based on available data and analyses of student loan repayment and non-repayment, will promote student loan repayment.

“(c) PROGRAMMATIC LOAN REPAYMENT RATE DEFINED.—

“(1) IN GENERAL.—Except as provided in subsection (d), for purposes of this section, the term ‘loan repayment rate’ means, when used with respect to an educational program at an institution—

“(A) with respect to any fiscal year in which 30 or more current and former students in such program enter repayment on a covered loan received for attendance in such program, the percentage of such current and former students—

“(i) who enter repayment in such fiscal year on a covered loan received for attendance in such program; and

“(ii) who are in a positive repayment status on each such covered loan at the end of the second fiscal year following the fiscal year in which such students entered repayment on such loan; and

“(B) with respect to any fiscal year in which fewer than 30 of the current and former students in such program enter repayment on a covered loan received for attendance in such program, the percentage of such current and former students—

“(i) who, in any of the three most recent fiscal years, entered repayment on a covered loan received for attendance in such program; and

“(ii) who are in a positive repayment status on each such covered loan at the end of the second fiscal year following the fiscal year in which such students entered repayment on such loan.

“(2) GUARANTY AGENCY REQUIREMENTS.—The Secretary shall require that each guaranty agency that has insured loans for current or former students of the institution afford such institution a reasonable opportunity (as specified by the Secretary) to review and correct errors in the information required to be provided to the Secretary by the guaranty agency for the purposes of calculating a loan repayment rate for programs at such institution, prior to the calculation of such rate.

“(3) POSITIVE REPAYMENT STATUS.—For purposes of this section, the term ‘positive repayment status’, when used with respect to a borrower of a covered loan, means—

“(A) the borrower has entered repayment on such loan, and such loan is less than 90 days delinquent;

“(B) the loan is paid in full (but not through consolidation); or

“(C) with respect to a covered loan that is a Federal ONE Loan, the loan is in a deferment described in 469A(b)(1), and with respect to a covered loan made, insured, or guaranteed under part B or made under part D, the loan is in a deferment or forbearance that is comparable to a deferment described in 469A(b)(1).

“(4) COVERED LOAN.—For purposes of this section—

- “(A) the term ‘covered loan’ means—
- “(i) a loan made, insured, or guaranteed under section 428 or 428H;
 - “(ii) a Federal Direct Stafford Loan;
 - “(iii) a Federal Direct Unsubsidized Stafford Loan;
 - “(iv) a Federal Direct PLUS Loan issued to a graduate or professional student;
 - “(v) a Federal ONE Loan (other than a Federal ONE Parent Loan or a Federal ONE Consolidation Loan not described in clause (vi)); or
 - “(vi) the portion of a loan made under section 428C, a Federal Direct Consolidation Loan, or a Federal ONE Consolidation Loan that is used to repay any covered loan described in clauses (i) through (v); and
- “(B) the term ‘covered loan’ does not include a loan described in subparagraph (A) that has been discharged under section 437(a).
- “(d) SPECIAL RULES.—
- “(1) IN GENERAL.—In the case of a student who has attended and borrowed at more than one institution of higher education or for more than one educational program at an institution, the student (and such student’s subsequent positive repayment status on a covered loan, if applicable) shall be attributed to each institution of higher education and educational program for attendance at which the student received a loan that entered repayment for the fiscal year for which the loan repayment rate is being calculated.
- “(2) DELINQUENT.—A loan on which a payment is made by an institution of higher education, such institutions’s owner, agent, contractor, employee, or any other entity or individual affiliated with such institution, in order to prevent the borrower from being more than 90 days delinquent on the loan, shall be considered more than 90 days delinquent for purposes of this subsection.
- “(3) REGULATIONS TO PREVENT EVASIONS.—The Secretary shall prescribe regulations designed to prevent an institution of higher education from evading the application of a loan repayment rate determination under this section to an educational program at such institution through—
- “(A) the use of such measures as branching, consolidation, change of ownership or control, or any similar device; or
 - “(B) creating a new educational program that is substantially similar to a program determined to be ineligible under subsection (a).
- “(4) COLLECTION AND REPORTING OF LOAN REPAYMENT RATES.—
- “(A) IN GENERAL.—The Secretary shall publish not less often than once every fiscal year a report showing final loan repayment data for each program at each institution of higher education for which a loan repayment rate is calculated under this section.
 - “(B) PUBLICATION.—The Secretary shall publish the report described in subparagraph (A) by September 30 of each year.
 - “(C) DRAFTS.—
 - “(i) IN GENERAL.—The Secretary shall provide institutions with draft loan repayment rates for each educational program at the institution at least 6 months prior to the release of the final rates under subparagraph (A).
 - “(ii) CHALLENGE OF DRAFT RATES.—An institution may challenge a program’s draft loan repayment rate provided under clause (i) for any fiscal year by demonstrating to the satisfaction of the Secretary that such draft loan repayment rate is not accurate.
- “(e) TRANSITION PERIOD.—
- “(1) DURING THE TRANSITION PERIOD.—During the transition period, the cohort default rate for each institution of higher education shall be calculated under section 435(m)(1) for each fiscal year for which such rate has not yet been calculated and any requirements with respect to such rates shall continue to apply, except that the loans with respect to which such cohort default rate shall be calculated shall be the covered loans defined in subsection (c)(4).
- “(2) AFTER THE TRANSITION PERIOD.—After the transition period, no new cohort default rates shall be calculated for an institution of higher education and any requirements with respect to such rates shall cease to apply.
- “(3) DEFINITIONS.—For purposes of this subsection—
- “(A) the term ‘cohort default rate’ has the meaning given the term in section 435(m); and
 - “(B) the term ‘transition period’ means the period—
 - “(i) beginning on the date of enactment of the PROSPER Act; and
 - “(ii) ending on the date on which the Secretary has published under subsection (d)(4)(A) the final loan repayment rate for each program at each institution of higher education with respect to each of fiscal years 2016, 2017, and 2018.”

SEC. 483. MASTER CALENDAR.

Section 482 (20 U.S.C. 1089) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “February 1” and inserting “January 15”;

(ii) in subparagraph (B), by striking “March 1” and inserting “February 1”;

(iii) in subparagraph (C), by striking “June 1” and inserting “May 1”;

(iv) in subparagraph (D), by striking “August 15” and inserting “July 15”;

(v) by striking subparagraph (E), and redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively; and

(vi) in subparagraph (E), as so redesignated, by striking “October 1” and inserting “September 1”; and

(vii) in subparagraph (F), as so redesignated, by striking “November 1” and inserting “October 1”;

(B) in paragraph (2)—

(i) in subparagraph (F), by striking “and final Pell Grant payment schedule”;

(ii) in subparagraph (J), by striking “June 1” and inserting “May 1”;

(iii) by redesignating subparagraphs (C) through (J) as subparagraphs (D) through (K), respectively; and

(iv) by inserting after subparagraph (B) the following:

“(C) by November 1: final Pell Grant payment schedule.”; and

(2) in subsection (b)—

(A) by striking “413D(d), 442(d), or 462(i)” and inserting “442(d)”; and

(B) by striking “the programs under subpart 3 of part A, part C, and part E, respectively” and inserting “part C”.

SEC. 484. FAFSA SIMPLIFICATION.

(a) IN GENERAL.—Section 483 (20 U.S.C. 1090) is amended—

(1) in subsection (a)(3)—

(A) in subparagraph (E), by adding at the end the following: “Notwithstanding the limitations on sharing data described in this paragraph, an institution of higher education may, with explicit written consent of the applicant, provide such information as is necessary to a scholarship granting organization designated by the applicant to assist the applicant in applying for and receiving financial assistance for the applicant’s education at that institution. An organization that receives information pursuant to the preceding sentence shall not maintain, warehouse, sell, or otherwise store or share such information after it has been used to determine the additional aid available for such applicant and the organization shall destroy the information after such determination has been made.”; and

(B) by adding at the end the following:

“(I) **FORMAT.**—Not later than 1 year after the date of the enactment of the PROSPER Act, the Secretary shall make the electronic version of the forms under this paragraph available through a technology tool optimized for use on mobile devices. Such technology tool shall, at minimum, enable applicants to—

“(i) save data; and

“(ii) submit the FAFSA of such applicant to the Secretary through such tool.

“(J) **CONSUMER TESTING.**—In developing and maintaining the electronic version of the forms under this paragraph and the technology tool for mobile devices under subparagraph (I), the Secretary shall conduct consumer testing with appropriate persons to ensure the forms and technology tool are designed to be easily usable and understandable by students and families. Such consumer testing shall include—

“(i) current and prospective college students, family members of such students, and other individuals with expertise in student financial assistance application processes;

“(ii) dependent students and independent students who meet the requirements under subsection (b) or (c) of section 479; and

“(iii) dependent students and independent students who do not meet the requirements under subsection (b) or (c) of section 479.”; and

(2) by amending subsection (f) to read as follows:

“(f) **USE OF INTERNAL REVENUE SERVICE DATA RETRIEVAL TOOL TO POPULATE FAFSA.**—

“(1) SIMPLIFICATION EFFORTS.—The Secretary shall—

“(A) make every effort to allow applicants to utilize the current data retrieval tool to transfer, through a rigorous authentication process, data available from the Internal Revenue Service to reduce the amount of original data entry by applicants and strengthen the reliability of data used to calculate expected family contributions, including through the use of technology to—

“(i) allow an applicant to automatically populate the electronic version of the forms under this paragraph with data available from the Internal Revenue Service; and

“(ii) direct an applicant to appropriate questions on such forms based on the applicant’s answers to previous questions; and

“(B) allow single taxpayers, married taxpayers filing jointly, and married taxpayers filing separately to utilize the current data retrieval tool to its full capacity.

“(2) USE OF TAX RETURN IN APPLICATION PROCESS.—The Secretary shall continue to examine whether data provided by the Internal Revenue Service can be used to generate an expected family contribution without additional action on the part of the student and taxpayer.

“(3) REPORTS ON FAWSA SIMPLIFICATION EFFORTS.—Not less than once every year, the Secretary shall report to the authorizing committees on—

“(A) the progress of the simplification efforts under this subsection; and

“(B) the security of the data retrieval tool.”

(b) TECHNICAL AMENDMENT.—Section 483(a)(9)(C) (20 U.S.C. 1090(a)(9)(C)) is amended by inserting “, including through the tool described in section 485E(c)” before the semicolon.

SEC. 485. STUDENT ELIGIBILITY.

Section 484 (20 U.S.C. 1091) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “a degree, certificate, or other program (including a program of study abroad approved for credit by the eligible institution at which such student is enrolled) leading to a” and inserting “an eligible program (including a program of study abroad approved for credit by the eligible institution at which such student is enrolled) leading to a degree, certificate, or other”; and

(B) in paragraph (3), by inserting “as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act,” after “part E,”;

(2) in subsection (b)—

(A) in paragraph (3), by striking “part B or D” and inserting “part B, D, or E”; and

(B) by adding at the end the following:

“(6) For purposes of competency-based education, in order to be eligible to receive any loan under this title for an award year, a student may be enrolled in coursework attributable only to 2 academic years within the award year.”;

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by inserting “least as frequently as” before “the end of each”; and

(II) by striking “, and” at the end and inserting a semicolon;

(ii) in subparagraph (B)—

(I) by striking “the student has a cumulative” and inserting the following: “the student has—

“(i) a cumulative”;

(II) by striking “the second” and inserting “each”;

(III) by striking the period at the end and inserting “; or” ; and

(IV) by adding at the end the following:

“(ii) for the purposes of competency-based programs, a non-grade equivalent demonstration of academic standing consistent with the requirements for graduation, as determined by the institution, at the end of each such academic year; and”; and

(iii) by adding at the end the following:

“(C) the student maintains a pace in his or her educational program that—

“(i) ensures that the student completes the program within the maximum timeframe; and

“(ii) is measured by a method determined by the institution which may be based on credit hours, clock hours, or competencies completed.”;

(B) in paragraph (2), by striking “grading period” and inserting “evaluation period”; and

(C) by adding at the end the following:

“(4) For purposes of this subsection, the term ‘maximum timeframe’ means—

“(A) with respect to an undergraduate program measured in credit hours, a period that is no longer than 150 percent of the published length of the educational program, as measured in credit hours;

“(B) with respect to an undergraduate program measured in competencies, a period that is no longer than 150 percent of the published length of the educational program, as measured in competencies;

“(C) with respect to an undergraduate program measured in clock hours, a period that is no longer than 150 percent of the published length of the educational program, as measured by the cumulative number of clock hours the student is required to complete and expressed in calendar time; and

“(D) with respect to a graduate program, a period defined by the institution that is based on the length of the educational program.”;

(4) by amending subsection (d) to read as follows:

“(d) ADDITIONAL STUDENT ELIGIBILITY.—

“(1) ABILITY TO BENEFIT STUDENTS.—In order for a student who does not have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, to be eligible for any assistance under subpart 1 of part A and parts C, D, and E of this title, the student shall be determined by the institution of higher education as having the ability to benefit from the education offered by the institution of higher education upon satisfactory completion of 6 credit hours or the equivalent coursework that are applicable toward a degree or certificate offered by the institution of higher education.

“(2) HOMESCHOOL STUDENTS.—A student who has completed a secondary school education in a home school setting that is treated as a home school or private school under State law shall be eligible for assistance under subpart 1 of part A and parts C, D, and E of this title.

“(3) SECONDARY EDUCATION PROVIDED BY NONPROFIT CORPORATIONS.—A student who has completed a secondary education provided by a school operating as a nonprofit corporation that offers a program of study determined acceptable for admission at an institution of higher education shall be eligible for assistance under subpart 1 of part A and parts C, D, and E of this title.”.

(5) in subsection (f)(1), by striking “or part E” both places it appears and inserting the following: “, part E (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act), or part E (as in effect on or after the date of enactment of the PROSPER Act)”;

(6) by striking subsection (l);

(7) in subsection (n)—

(A) by striking “(n) DATA BASE MATCHING.—To enforce”; and inserting the following:

“(n) SELECTIVE SERVICE REGISTRATION.—

“(1) DATA BASE MATCHING.—To enforce”; and

(B) by adding at the end the following:

“(2) EFFECT OF FAILURE TO REGISTER FOR SELECTIVE SERVICE.—A person who is 26 years of age or older shall not be ineligible for assistance or a benefit provided under this title by reason of failure to present himself for, and submit to, registration under section 3 of the Military Selective Service Act (50 U.S.C. 3802).”; and

(8) by redesignating subsections (m) through (t) as subsections (l) through (s).

SEC. 486. STATUTE OF LIMITATIONS.

Section 484A (20 U.S.C. 1088) is amended—

(1) in subsection (a)(2)(C)—

(A) by striking “or 463(a)” and inserting “, section 463(a) (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act), or section 463 (as in effect on or after the date of enactment of the PROSPER Act)”;

(B) by striking “or E” and inserting “, E (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act), or E (as in effect on or after the date of enactment of the PROSPER Act)”;

(2) in subsection (b)—

(A) by striking “and” at the end of paragraph (2);

(B) in paragraph (3)—

(i) by inserting “(as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act)” after “part E”;

(ii) by inserting “(as so in effect)” after “section 463(a)”; and

(iii) by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(4) in collecting any obligation arising from a loan made under part E (as in effect on or after the date of enactment of the PROSPER Act), an institution of higher education that has an agreement with the Secretary pursuant to section 463(a) (as so in effect) shall not be subject to a defense raised by any borrower based on a claim of infancy.”.

SEC. 487. INSTITUTIONAL REFUNDS.

Section 484B (20 U.S.C. 1091b) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “If a recipient” and inserting the following:

“(A) CONSEQUENCE OF WITHDRAWAL.—If a recipient”; and

(ii) by adding at the end the following:

“(B) SPECIAL RULE.—For purposes of subparagraph (A), a student—

“(i) who is enrolled in a program offered in modules is not considered withdrawn if the change in the student’s attendance constitutes a change in enrollment status within the payment period rather than a discontinuance of attendance within the payment period; and

“(ii) is considered withdrawn if the student follows the institution’s official withdrawal procedures or leaves without notifying the institution and has not returned before the end of the payment period.”;

(B) in paragraph (3)—

(i) in subparagraph (B), by striking clauses (i) and (ii) and inserting the following:

“(i) 0 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 0 to 24 percent of the payment period or period of enrollment;

“(ii) 25 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 25 to 49 percent of the payment period or period of enrollment;

“(iii) 50 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 50 to 74 percent of the payment period or period of enrollment; or

“(iv) 75 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 75 to 99 percent of the payment period or period of enrollment.”.

(ii) in subparagraph (C)(i), by striking “subparts 1 and 3 of part A, or loan assistance under parts B, D,” and inserting “subpart 1 of part A or loan assistance under parts D”; and

(C) in paragraph (4)—

(i) in subparagraph (A), by striking “Secretary), the institution of higher education shall contact the borrower” and inserting “Secretary), the institution of higher education shall have discretion to determine whether all or a portion of the late or post-withdrawal disbursement should be made, under a publicized institutional policy. If the institution of higher education determines that a disbursement should be made, the institution shall contact the borrower”; and

(ii) in subparagraph (B) by striking “institution or the student, or both, as may be required under paragraphs (1) and (2) of subsection (b), to the programs under this title in the order specified in” and inserting “institution, as may be required under paragraph (1) of subsection (b), to the programs under this title in accordance with”;

(2) by amending subsection (b) to read as follows:

“(b) RETURN OF TITLE IV PROGRAM FUNDS.—

“(1) RESPONSIBILITY OF THE INSTITUTION.—The institution shall return not later than 60 days from the determination of withdrawal, in accordance with paragraph (3), the amount of grant and loan assistance awarded under this title that has not been earned by the student, as calculated under subsection (a)(3)(C).

“(2) RESPONSIBILITY OF THE STUDENT.—

“(A) IN GENERAL.—The student is not responsible to return assistance that has not been earned, except that the institution may require the student to pay to the institution up to 10 percent of the amount owed by the institution in paragraph (1).

“(B) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prevent an institution from enforcing the published institutional refund policies of such institution.

“(3) ORDER OF RETURN OF TITLE IV FUNDS.—

“(A) IN GENERAL.—Excess funds returned by the institution in accordance with paragraph (1) shall be credited to awards under subpart 1 of part A for the payment period or period of enrollment for which a return of funds is required.

“(B) REMAINING EXCESSES.—If excess funds remain after repaying all outstanding grant amounts, the remaining excess shall be credited in the following order:

“(i) To outstanding balances on loans made under this title to the student or on behalf of the student for the payment period or period of enrollment for which a return of funds is required.

“(ii) To other assistance awarded under this title for which a return of funds is required.”;

(3) by amending subsection (c) to read as follows:

“(c) WITHDRAWAL DATE.—

“(1) IN GENERAL.—In this section, the term ‘day the student withdrew’—

“(A) for institutions not required to take attendance, is the date as determined by the institution that—

“(i) the student began the withdrawal process prescribed and publicized by the institution, or a later date if the student continued attendance despite beginning the withdrawal process, but did not then complete the payment period; or

“(ii) in the case of a student who does not begin the withdrawal process, the date that is the mid-point of the payment period for which assistance under this title was disbursed or another date documented by the institution; or

“(B) for institutions required to take attendance, is determined by the institution from such attendance records.

“(2) SPECIAL RULE.—Notwithstanding paragraph (1), if the institution determines that a student did not begin the withdrawal process, due to illness, accident, grievous personal loss, or other such circumstances beyond the student’s control, the institution may determine the appropriate withdrawal date under its own defined policies.

“(3) ATTENDANCE.—An institution is required to take attendance if an institution’s accrediting agency or State licensing agency has a requirement that the institution take attendance for all students in an academic program throughout the entire payment period.”; and

(4) by striking subsections (d) and (e).

SEC. 488. INFORMATION DISSEMINATED TO PROSPECTIVE AND ENROLLED STUDENTS.

(a) USE OF WEBSITE TO DISSEMINATE INFORMATION.—Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended in the matter preceding subparagraph (A) by striking the second and third sentences and inserting the following: “The information required by this section shall be produced and be made readily available to enrolled and prospective students on the institution’s website (or in other formats upon request).”.

(b) INFORMATION ON PROHIBITING COPYRIGHT INFRINGEMENT.—Section 485(a)(1)(P) (20 U.S.C. 1092(a)(1)(P)) is amended by striking “, including—” and all that follows and inserting a period.

(c) ELIMINATION OF CERTAIN REPORTING REQUIREMENTS.—

(1) IN GENERAL.—Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended—

(A) by striking subparagraph (L);

(B) by redesignating subparagraphs (M) through (P) as subparagraphs (L) through (O); and

(C) by striking subparagraphs (Q) through (V) and inserting the following:

“(P) the fire safety report prepared by the institution pursuant to subsection (i); and

“(Q) the link to the institution’s information on the College Dashboard website operated under section 132.”.

(2) CONFORMING AMENDMENTS.—Section 485(a) (20 U.S.C. 1092(a)) is amended by striking paragraphs (3) through (7).

(d) EXIT COUNSELING.—Section 485(b) (20 U.S.C. 1092(b)) is amended—

(1) in paragraph (1)(A)—

(A) in the matter preceding clause (i)—

(i) by striking “through financial aid offices or otherwise” and inserting “through the use of an interactive program, during an exit counseling session that is in-person or online, or through the use of the online counseling tool described in subsection (n)(1)(A)”;

(ii) by inserting “, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act or made under part E (other than Federal ONE Parent Loans), as in effect on or after the date of enactment of the PROSPER Act” after “part E”;

(B) by redesignating clauses (i) through (ix) as clauses (iv) through (xii), respectively;

(C) by inserting before clause (iv), as so redesignated, the following:

“(i) a summary of the outstanding balance of principal and interest due on the loans made to the borrower under this title;

“(ii) an explanation of the grace period preceding repayment and the expected date that the borrower will enter repayment;

“(iii) an explanation of cases of interest capitalization and that the borrower has the option to pay any interest that has accrued while the borrower was in school or that may accrue during the grace period preceding repayment or during an authorized period of deferment or forbearance, prior to the capitalization of the interest;”;

(D) in clause (iv), as so redesignated—

(i) by striking “sample information showing the average” and inserting “information, based on the borrower’s outstanding balance described in clause (i), showing the borrower’s”; and

(ii) by striking “of each plan” and inserting “of at least the standard repayment plan and the income-based repayment plan under section 466(d)”;

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

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

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

(F) in clause (x), as so redesignated, by striking “consolidation loan under section 428C or a”;

(G) in clauses (xi) and (xii), as so redesignated, by striking “and” at the end; and

(H) by adding at the end the following:

“(xiii) for each of the borrower’s loans made under this title for which the borrower is receiving counseling under this subsection, the contact information for the servicer of the loan and a link to the Website of such servicer; and

“(xiv) an explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).”;

(2) in paragraph (1)(B)—

(A) by inserting “online or” before “in writing”; and

(B) by adding before the period at the end the following: “, except that in the case of an institution using the online counseling tool described in subsection (n)(1)(A), the Secretary shall attempt to provide such information to the student in the manner described in subsection (n)(3)(C)”;

(3) in paragraph (2)(C), by inserting “, such as the online counseling tool described in subsection (n)(1)(A),” after “electronic means”.

(e) DEPARTMENTAL PUBLICATION OF DESCRIPTIONS OF ASSISTANCE PROGRAMS.—The third sentence of section 485(d)(1) (20 U.S.C. 1092(d)(1)) is amended by striking “part D” and inserting “part D or E”.

(f) AMENDMENTS TO CLERY ACT.—

(1) PREVENTING INTERFERENCE WITH CRIMINAL JUSTICE PROCEEDINGS; TIMELY WARNINGS; CONSISTENCY OF INSTITUTIONAL CRIME REPORTING.—Section 485(f) (20 U.S.C. 1092(f)) is amended—

(A) by striking paragraph (3) and inserting the following:

“(3) Each institution participating in any program under this title, other than a foreign institution of higher education, shall make timely reports to the campus community on crimes described in paragraph (1)(F) that have been reported to campus security officials and pose a serious and continuing threat to other students and employees’ safety. Such reports shall withhold the names of victims as confidential and shall be provided in a timely manner, except that an institution may delay issuing a report if the issuance would compromise ongoing law enforcement efforts, such as efforts to apprehend a suspect. The report shall

also include information designed to assist students and employees in staying safe and avoiding similar occurrences to the extent such information is available and appropriate to include. In assessing institutional compliance with this section, the Secretary shall defer to the institution's determination of whether a particular crime poses a serious and continuing threat to the campus community, and the timeliness of such warning, provided that, in making its decision, the institution acted reasonably and based on the considered professional judgment of campus security officials, based on the facts and circumstances known at the time.”;

(B) by redesignating paragraph (18) as paragraph (20); and

(C) by inserting after paragraph (17) the following:

“(18) Nothing in this subsection may be construed to prohibit an institution of higher education from delaying the initiation of, or suspending, an investigation or institutional disciplinary proceeding involving an allegation of sexual assault in response to a request from a law enforcement agency or a prosecutor to delay the initiation of, or suspend, the investigation or proceeding, and any delay or suspension of such an investigation or proceeding in response to such a request may not serve as the grounds for any sanction or audit finding against the institution or for the suspension or termination of the institution's participation in any program under this title.

“(19)(A) Reporting carried out under this subsection shall be conducted in a manner to ensure maximum consistency with the Uniform Crime Reporting Program of the Department of Justice.

“(B) The Secretary shall require institutions of higher education to report crime statistics under this section using definitions of such crimes, when available, from the Uniform Crime Reporting Program of the Department of Justice.

“(C) The Secretary shall maintain a publicly available and updated list of all applicable definitions from the Uniform Crime Reporting Program of the Department of Justice.

“(D) With respect to a report under this subsection, in the case of a crime for which no Uniform Crime Reporting Program of the Department of Justice definition exists, the Secretary shall require that institutions of higher education report such crime according to a definition provided by the Secretary.

“(E) An institution of higher education that reports a crime described in subparagraph (D) shall not be subject to any penalty or fine for reporting inaccuracies or omissions if the institution of higher education can demonstrate that it made a reasonable and good faith effort to report crimes consistent with the definition provided by the Secretary.

“(F) With respect to a report under this subsection, the Secretary shall require institutions of higher education to follow the Hierarchy Rule for reporting crimes under the Uniform Crime Reporting Program of the Department of Justice, so as to minimize duplicate reporting and ensure greater consistency with national crime reporting systems.”.

(2) DUE PROCESS REQUIREMENTS FOR INSTITUTIONAL DISCIPLINARY PROCEEDINGS.—Section 485(f)(8)(B)(iv)(I) (20 U.S.C. 1092(f)(8)(B)(iv)(I)) is amended to read as follows:

“(I) the investigation of the allegation and any institutional disciplinary proceeding in response to the allegation shall be prompt, impartial, and fair to both the accuser and the accused by, at a minimum—

“(aa) providing all parties to the proceeding with adequate written notice of the allegation not later than 2 weeks prior to the start of any formal hearing or similar adjudicatory proceeding, and including in such notice a description of all rights and responsibilities under the proceeding, a statement of all relevant details of the allegation, and a specific statement of the sanctions which may be imposed;

“(bb) providing each person against whom the allegation is made with a meaningful opportunity to admit or contest the allegation;

“(cc) ensuring that all parties to the proceeding have access to all material evidence not later than one week prior to the start of any formal hearing or similar adjudicatory proceeding;

“(dd) ensuring that the proceeding is carried out free from conflicts of interest by ensuring that there is no commingling of administrative or adjudicative roles; and

“(ee) ensuring that the investigation and proceeding shall be conducted by officials who receive annual education on issues related to domestic violence, dating violence, sexual assault, and stalking, and on how to conduct an investigation and an institutional disciplinary proceeding that protects the safety of victims, ensures

fairness for both the accuser and the accused, and promotes accountability;”.

(3) ESTABLISHMENT OF STANDARD OF EVIDENCE FOR INSTITUTIONAL DISCIPLINARY PROCEEDINGS.—

(A) INCLUSION IN STATEMENT OF POLICY.—Section 485(f)(8)(B) (20 U.S.C. 1092(f)(8)(B)) is amended by adding at the end the following new clause:

“(viii) The establishment of a standard of evidence that will be used in institutional disciplinary proceedings involving allegations of sexual assault, which may be based on such standards and criteria as the institution considers appropriate (including the institution’s culture, history, and mission, the values reflected in its student code of conduct, and the purpose of the institutional disciplinary proceedings) so long as the standard is not arbitrary or capricious and is applied consistently throughout all such proceedings.”.

(B) CONFORMING AMENDMENTS.—Section 485(f)(8)(B)(iv) (20 U.S.C. 1092(f)(8)(B)(iv)) is amended—

- (i) by striking “and” at the end of subclause (II);
- (ii) by striking the period at the end of subclause (III) and inserting “; and”; and
- (iii) by adding at the end the following new subclause:

“(IV) in the case of a proceeding involving an allegation of sexual assault, such proceedings shall be conducted in accordance with the standard of evidence established by the institution under clause (viii), together with a clear statement describing such standard of evidence.”.

(4) EDUCATION MODULES FOR OFFICIALS CONDUCTING INVESTIGATIONS AND INSTITUTIONAL DISCIPLINARY PROCEEDINGS.—Section 485(f)(8) (20 U.S.C. 1092(f)(8)) is amended by adding at the end the following new subparagraph:

“(D) In consultation with experts from institutions of higher education, law enforcement agencies, advocates for sexual assault victims, experts in due process, and other appropriate persons, the Secretary shall create and regularly update modules which an institution of higher education may use to provide the annual education described in subparagraph (B)(iv)(I)(ee) for officials conducting investigations and institutional disciplinary proceedings involving allegations described in such subparagraph. If the institution uses such modules to provide the education described in such subparagraph, the institution shall be considered to meet any requirement under such subparagraph or any other Federal law regarding the education provided to officials conducting such investigations and proceedings.”.

(g) MODIFICATION OF CERTAIN REPORTING REQUIREMENTS.—

(1) FIRE SAFETY.—Section 485(i) (20 U.S.C. 1092(i)) is amended to read as follows:

“(i) FIRE SAFETY REPORTS.—

“(1) ANNUAL REPORT.—Each eligible institution participating in any program under this title that maintains on-campus student housing facilities shall, on an annual basis, publish a fire safety report, which shall contain information with respect to the campus fire safety practices and standards of that institution, statistics on any fire related incidents or injuries, and any preventative measures or technologies.

“(2) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed to—

“(A) authorize the Secretary to require particular policies, procedures, programs, or practices by institutions of higher education with respect to fire safety;

“(B) affect section 444 of the General Education Provisions Act (commonly known as the ‘Family Education Rights and Privacy Act of 1974’) or the regulations issued under section 264 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-2 note);

“(C) create a cause of action against any institution of higher education or any employee of such an institution for any civil liability; or

“(D) establish any standard of care.

“(3) EVIDENCE.—Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with this subsection shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this subsection.”.

(2) MISSING PERSONS PROCEDURES.—

(A) IN GENERAL.—Section 485(j)(1) (20 U.S.C. 1092(j)(1)) is amended to read as follows:

“(1) IN GENERAL.—Each institution of higher education that provides on-campus housing and participates in any program under this title shall establish a missing student policy for students who reside in on-campus housing that, at a minimum, informs each residing student that the institution will notify such

student's designated emergency contact and the appropriate law enforcement agency not later than 24 hours after the time that the student is determined missing, and in the case of a student who is under 18 years of age, the institution will notify a custodial parent or guardian.”

(B) RULE OF CONSTRUCTION.—Section 485(j)(2) (20 U.S.C. 1092(j)(2)) is amended—

- (i) by striking “or” at the end of subparagraph (A);
- (ii) by striking the period at the end of subparagraph (B) and inserting “; or”; and
- (iii) by adding at the end the following new subparagraph:

“(C) to require an institution of higher education to maintain separate missing student emergency contact information, so long as the institution otherwise has an emergency contact for students residing on campus.”

(h) ANNUAL COUNSELING.—Section 485(l) (20 U.S.C. 1092(l)) is amended to read as follows:

“(1) ANNUAL FINANCIAL AID COUNSELING.—

“(1) ANNUAL DISCLOSURE REQUIRED.—

“(A) IN GENERAL.—Each eligible institution shall ensure, and annually affirm to the Secretary, that each individual enrolled at such institution who receives a Federal Pell Grant or a loan made under this title (other than a Federal Direct Consolidation Loan or Federal ONE Consolidation Loan) receives comprehensive information on the terms and conditions of such Federal Pell Grant or loan and the responsibilities the individual has with respect to such Federal Pell Grant or loan. Such information shall be provided, for each award year for which the individual receives such Federal Pell Grant or loan, in a simple and understandable manner—

- “(i) during a counseling session conducted in person;
- “(ii) online, with the individual acknowledging receipt of the information; or
- “(iii) through the use of the online counseling tool described in subsection (n)(1)(B).

“(B) USE OF INTERACTIVE PROGRAMS.—In the case of institutions not using the online counseling tool described in subsection (n)(1)(B), the Secretary shall require such institutions to carry out the requirements of subparagraph (A)—

- “(i) through the use of interactive programs;
- “(ii) during an annual counseling session that is in-person or online that tests the individual's understanding of the terms and conditions of the Federal Pell Grant or loan awarded to the student; and
- “(iii) using simple and understandable language and clear formatting.

“(2) ALL INDIVIDUALS.—The information to be provided under paragraph (1) to each individual receiving counseling under this subsection shall include the following:

“(A) An explanation of how the student may budget for typical educational expenses and a sample budget based on the cost of attendance for the institution.

“(B) An explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).

“(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;
- “(iii) an associate's degree;
- “(iv) a bachelor's degree; and
- “(v) a graduate or professional degree.

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

“(3) STUDENTS RECEIVING FEDERAL PELL GRANTS.—The information to be provided under paragraph (1) to each student receiving a Federal Pell Grant shall include the following:

“(A) An explanation of the terms and conditions of the Federal Pell Grant.

“(B) An explanation of approved educational expenses for which the student may use the Federal Pell Grant.

“(C) An explanation of why the student may have to repay the Federal Pell Grant.

“(D) An explanation of the maximum number of semesters or equivalent for which the student may be eligible to receive a Federal Pell Grant, and a statement of the amount of time remaining for which the student may be eligible to receive a Federal Pell Grant.

“(E) An explanation that if the student transfers to another institution not all of the student’s courses may be acceptable to apply 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.

“(F) An explanation of how the student may seek additional financial assistance from the institution’s financial aid office due to a change in the student’s financial circumstances, and the contact information for such office.

“(4) BORROWERS RECEIVING LOANS MADE THIS TITLE (OTHER THAN FEDERAL DIRECT PLUS LOANS MADE ON BEHALF OF DEPENDENT STUDENTS OR FEDERAL ONE PARENT LOANS).—The information to be provided under paragraph (1) to a borrower of a loan made under this title (other than other than a Federal Direct PLUS Loan made on behalf of a dependent student or a Federal ONE Parent Loan) shall include the following:

“(A) To the extent practicable, the effect of accepting the loan to be disbursed on the eligibility of the borrower for other forms of student financial assistance.

“(B) An explanation of the use of the master promissory note.

“(C) An explanation that the borrower is not required to accept the full amount of the loan offered to the borrower.

“(D) An explanation that the borrower should consider accepting any grant, scholarship, or State or Federal work-study jobs for which the borrower is eligible prior to accepting Federal student loans.

“(E) An explanation of treatment of loans made under this title and private education loans in bankruptcy, and an explanation that if a borrower decides to take out a private education loan—

“(i) the borrower has the ability to select a private educational lender of the borrower’s choice;

“(ii) the proposed private education loan may impact the borrower’s potential eligibility for other financial assistance, including Federal financial assistance under this title; and

“(iii) the borrower has a right—

“(I) to accept the terms of the private education loan within 30 calendar days following the date on which the application for such loan is approved and the borrower receives the required disclosure documents, pursuant to section 128(e)(6) of the Truth in Lending Act; and

“(II) to cancel such loan within 3 business days of the date on which the loan is consummated, pursuant to section 128(e)(7) of such Act.

“(F) An explanation of the approved educational expenses for which the borrower may use a loan made under this title.

“(G) Information on the annual and aggregate loan limits for a loan made under this title.

“(H) Information on interest, including the annual percentage rate of such loan, as calculated using the standard 10-year repayment term, and how interest accrues and is capitalized during periods when the interest is not paid by the borrower.

“(I) The option of the borrower to pay the interest while the borrower is in school.

“(J) The definition of half-time enrollment at the institution, during regular terms and summer school, if applicable, and the consequences of not maintaining at least half-time enrollment.

“(K) An explanation of the importance of contacting the appropriate offices at the institution of higher education if the borrower withdraws prior to completing the borrower’s program of study so that the institution can provide exit counseling, including information regarding the borrower’s repayment options and loan consolidation.

“(L) For a first-time borrower or a borrower of a loan under this title who owes no principal or interest on 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, at minimum—

“(I) the standard repayment plan; and

“(II) an income-based repayment plan under section 466(d) or 493C, as determined using available percentile data from the Bureau of Labor Statistics of the 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 this title who are in the same program of study as the borrower.

“(M) For a borrower with an outstanding balance of principal or interest due on a loan made under this title—

“(i) a current statement of the amount of such outstanding balance and interest accrued;

“(ii) based on such outstanding balance, the anticipated monthly payment amount under the standard repayment plan, and the income-based repayment plan under section 466(d) or 493C, as determined using available percentile data from the Bureau of Labor Statistics of the starting salary for the occupation the borrower intends to be employed; and

“(iii) an estimate of the projected monthly payment amount under each repayment plan described in clause (ii), based on—

“(I) the outstanding balance described in clause (i);

“(II) the anticipated outstanding balance on the loan for which the student is receiving counseling under this subsection; and

“(III) a projection for any other loans made under this title that the borrower is reasonably expected to accept during the borrower’s program of study based on at least the expected increase in the cost of attendance of such program.

“(N) The obligation of the borrower to repay the full amount of the loan, regardless of whether the borrower completes or does not complete the program in which the borrower is enrolled within the regular time for program completion.

“(O) The likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation, and a notice of the institution’s most recent loan repayment rate (as defined in section 481B) for the educational program in which the borrower is enrolled, an explanation of the loan repayment rate, and the most recent national average loan repayment rate for an educational program.

“(P) Information on the National Student Loan Data System and how the borrower can access the borrower’s records.

“(Q) The contact information for the institution’s financial aid office or other appropriate office at the institution the borrower may contact if the borrower has any questions about the borrower’s rights and responsibilities or the terms and conditions of the loan.

“(5) BORROWERS RECEIVING FEDERAL DIRECT PLUS LOANS FOR DEPENDENT STUDENTS OR FEDERAL ONE PARENT LOANS.—The information to be provided under paragraph (1) to a borrower of a Federal Direct PLUS Loan for a dependent student or a Federal ONE Parent Loan shall include the following:

“(A) The information described in subparagraphs (A) through (C) and (N) through (Q) of paragraph (4).

“(B) An explanation of the treatment of the loan and private education loans in bankruptcy.

“(C) Information on the annual and aggregate loan limits.

“(D) Information on the annual percentage rate of the loan.

“(E) The option of the borrower to pay the interest on the loan while the loan is in deferment.

“(F) For a first-time borrower of a loan or a borrower of a loan under this title who owes no principal or interest on 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 loans made under this title on behalf of de-

pendent students who are in the same program of study as the student on whose behalf the borrower borrowed the loan.

“(G) For a borrower with an outstanding balance of principal or interest due on such loan—

- “(i) a statement of the amount of such outstanding balance;
- “(ii) based on such outstanding 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—

- “(I) the outstanding balance described in clause (i);
- “(II) the anticipated outstanding balance on the loan for which the borrower is receiving counseling under this subsection; and
- “(III) a projection for any other Federal Direct PLUS Loan made on behalf of the dependent student or Federal ONE Parent Loan that the borrower is reasonably expected to accept during the program of study of such student based on at least the expected increase in the cost of attendance of such program.

“(H) Debt management strategies that are designed to facilitate the repayment of such indebtedness.

“(I) An explanation that the borrower has the options to prepay each loan, pay each loan on a shorter schedule, and change repayment plans.

“(J) For each Federal Direct PLUS Loan and each Federal ONE Parent Loan for which the borrower is receiving counseling under this subsection, the contact information for the loan servicer of the loan and a link to such servicer’s Website.

“(6) ANNUAL LOAN ACCEPTANCE.—Prior to making the first disbursement of a loan made under this title (other than a Federal Direct Consolidation Loan or Federal ONE Consolidation Loan) to a borrower for an award year, an eligible institution, shall, as part of carrying out the counseling requirements of this subsection for the loan, ensure that after receiving the applicable counseling under paragraphs (2), (4), and (5) for the loan the borrower accepts the loan for such award year by—

- “(A) signing the master promissory note for the loan;
- “(B) signing and returning to the institution a separate written statement that affirmatively states that the borrower accepts the loan; or
- “(C) electronically signing an electronic version of the statement described in subparagraph (B).

“(7) PROHIBITION.—An institution of higher education may not counsel a borrower of a loan under this title to divorce or separate and live apart from one another for the purpose of qualifying for, or obtaining an increased amount of, Federal financial assistance under this Act.

“(8) CONSTRUCTION.—Nothing in this section shall be construed to prohibit an eligible institution from providing additional information and counseling services to recipients of Federal student aid under this title.”

(i) ONLINE COUNSELING TOOLS.—Section 485 (20 U.S.C. 1092) is further amended by adding at the end the following:

“(n) ONLINE COUNSELING TOOLS.—

“(1) IN GENERAL.—Beginning not later than 1 year after the date of enactment of the PROSPER Act, the Secretary shall maintain—

- “(A) an online counseling tool that provides the exit counseling required under subsection (b) and meets the applicable requirements of this subsection; and
- “(B) an online counseling tool that provides the annual counseling required under subsection (l) and meets the applicable requirements of this subsection.

“(2) REQUIREMENTS OF TOOLS.—In maintaining the online counseling tools described in paragraph (1), the Secretary shall ensure that each such tool is—

- “(A) consumer tested to ensure that the tool is effective in helping individuals understand their rights and obligations with respect to borrowing a loan made this title or receiving a Federal Pell Grant;
- “(B) understandable to students receiving Federal Pell Grants and borrowers of loans made this title; and
- “(C) freely available to all eligible institutions.

“(3) RECORD OF COUNSELING COMPLETION.—The Secretary shall—

- “(A) use each online counseling tool described in paragraph (1) to keep a record of which individuals have received counseling using the tool, and notify the applicable institutions of the individual’s completion of such counseling;

“(B) in the case of a borrower who receives annual counseling for a loan made under this title using the tool described in paragraph (1)(B), notify the borrower by when the borrower should accept, in a manner described in subsection (1)(6), the loan for which the borrower has received such counseling; and

“(C) in the case of a borrower described in subsection (b)(1)(B) at an institution that uses the online counseling tool described in paragraph (1)(A) of this subsection, the Secretary shall attempt to provide the information described in subsection (b)(1)(A) to the borrower through such tool.”.

(j) PREVENTING HAZING ON CAMPUS.—Section 485 (20 U.S.C. 1092) is further amended by adding at the end the following:

“(o) PREVENTING HAZING ON CAMPUS.—

“(1) SENSE OF CONGRESS.—It is the Sense of Congress that—

“(A) institutions of higher education should have clear policies that prohibit unsafe practices, such as hazing, on campus;

“(B) institutions of higher education should ensure each student organization understands what is considered an unsafe practice;

“(C) student organizations on campus should ensure their policies and activities do not endanger students safety or cause harm to students;

“(D) administrators and faculty should take seriously any threats or acts of harm to students through activities organized by student organizations and act quickly to prevent any potential harm to students by these groups;

“(E) institutions of higher education should ensure law enforcement has access to investigate any crimes committed by student organizations without obstruction from the students, student organization, administrators, or faculty; and

“(F) hazing is a dangerous practice and should not be allowed on any campus.

“(2) DISCLOSURE OF POLICIES.—Each institution of higher education participating in any program under this title shall ensure that—

“(A) all policies and required procedures related to hazing are clearly posted for students, faculty, and administrators; and

“(B) all student organizations are aware of—

“(i) the policies described in subparagraph (A), including all prohibited activities; and

“(ii) the dangers of hazing.

“(3) HAZING DEFINED.—In this subsection, the term ‘hazing’ means any intentional, knowing, or reckless act committed by a student, or a former student, of an institution of higher education, whether individually or with other persons, against another student, that—

“(A) was committed in connection with an initiation into, an affiliation with, or the maintenance of membership in, any organization that is affiliated with such institution of higher education; and

“(B)(i) contributes to a substantial risk of physical injury, mental harm, or personal degradation; or

“(ii) causes physical injury, mental harm or personal degradation.”.

SEC. 489. EARLY AWARENESS OF FINANCIAL AID ELIGIBILITY.

Section 485E (20 U.S.C. 1092f) is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) strike “The Secretary,” and insert “To improve the financial and economic literacy of students and parents of students in order to make informed decisions with respect to financing postsecondary education, the Secretary,”;

(ii) by striking “junior year” and inserting “sophomore year”;

(iii) by striking “The Secretary shall ensure that” and inserting “The Secretary shall—

“(A) ensure that”;

(iv) by adding at the end the following:

“(B) create an online platform—

“(i) for States, institutions of higher education, other organizations involved in college access and student financial aid, secondary schools, and programs under this title that serve secondary school students to share best practices on disseminating information under this section; and

“(ii) on which the Secretary shall annually—

“(I) summarize such best practices; and

“(II) describe the notification and dissemination activities carried out under this section.”

(B) in paragraph (4)—

(i) in the first sentence—

(I) by striking “Not later than two years after the date of enactment of the Higher Education Opportunity Act, the” and inserting “The”; and

(II) by inserting “continue to” before “implement”; and

(ii) in the second sentence, by striking “the Internet” and inserting “the Internet, including through social media”; and

(2) by adding at the end the following:

“(c) ONLINE ESTIMATOR TOOL.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of the PROSPER Act, the Secretary, in consultation with States, institutions of higher education, and other individuals with experience or expertise in student financial assistance application processes, shall develop an early estimator tool to be available online and through a mobile application, which—

“(A) allows an individual to—

“(i) enter basic financial and other relevant information; and

“(ii) on the basis of such information, receive non-binding estimates of potential Federal grant, loan, or work study assistance under this title for which a student may be eligible upon completion of an application form under section 483(a);

“(B) with respect to each institution of higher education that participates in a program under this title selected by an individual for purposes of the estimator tool, provides the individual with the net price (as defined in section 132) for the income category described in paragraph (2) that is determined on the basis of the information under subparagraph (A)(i) of this paragraph entered by the individual;

“(C) includes a clear and conspicuous disclaimer that the amounts calculated using the estimator tool are estimates based on limited financial information, and that—

“(i) each such estimate—

“(I) in the case of an estimate under subparagraph (A), is only an estimate and does not represent a final determination, or actual award, of financial assistance under this title;

“(II) in the case of an estimate under subparagraph (B), is only an estimate and not a guarantee of the actual amount that a student may be charged;

“(III) shall not be binding on the Secretary or an institution of higher education; and

“(IV) may change; and

“(ii) a student must complete an application form under section 483(a) in order to be eligible for, and receive, an actual financial aid award that includes Federal grant, loan, or work study assistance under this title; and

“(D) includes a clear and conspicuous explanation of the differences between a grant and a loan, and that an individual will be required to repay any loan borrowed by the individual.

“(2) INCOME CATEGORIES.—The income categories for purposes of paragraph (1)(B) are as follows:

“(A) \$0 to \$30,000.

“(B) \$30,001 to \$48,000.

“(C) \$48,001 to \$75,000.

“(D) \$75,001 to \$110,000.

“(E) \$110,001 to \$150,000.

“(F) Over \$150,000.

“(3) CONSUMER TESTING.—In developing and maintaining the estimator tool described in paragraph (1), the Secretary shall conduct consumer testing with appropriate persons, including current and prospective college students, family members of such students, and other individuals with expertise in student financial assistance application processes and college access, to ensure that such tool is easily understandable by students and families and effective in communicating early aid eligibility.

“(4) DATA STORAGE PROHIBITED.—In carrying out this subsection, the Secretary shall not keep, store, or warehouse any data inputted by individuals accessing the tool described in paragraph (1).

“(d) PELL TABLE.—

“(1) IN GENERAL.—The Secretary shall develop, and annually update at the beginning of each award year, the following electronic tables to be utilized in carrying out this section and containing the information described in paragraph (2) of this subsection:

“(A) An electronic table for dependent students.

“(B) An electronic table for independent students with dependents other than a spouse.

“(C) An electronic table for independent students without dependents other than a spouse.

“(2) INFORMATION.—Each electronic table under paragraph (1), with respect to the category of students to which the table applies for the most recently completed award year for which information is available, and disaggregated in accordance with paragraph (3), shall contain the following information:

“(A) The percentage of undergraduate students attending an institution of higher education on a full-time, full-academic year basis who file the financial aid form prescribed under section 483 for the award year and received, for their first academic year during such award year (and not for any additional payment periods after such first academic year), the following:

“(i) A Federal Pell Grant equal to the maximum amount of a Federal Pell Grant award determined under section 401(b)(2) for such award year.

“(ii) A Federal Pell Grant in an amount that is—

“(I) less than the maximum amount described in clause (i); and

“(II) not less than 3/4 of such maximum amount for such award year.

“(iii) A Federal Pell Grant in an amount that is—

“(I) less than 3/4 of such maximum amount; and

“(II) not less than 1/2 of such maximum amount for such award year.

“(iv) A Federal Pell Grant in an amount that is—

“(I) less than 1/2 of such maximum amount; and

“(II) not less than the minimum Federal Pell Grant amount determined under section 401(b)(4) for such award year.

“(B) The dollar amounts equal to—

“(i) the maximum amount of a Federal Pell Grant award determined under section 401(b)(2) for an award year;

“(ii) 3/4 of such maximum amount;

“(iii) 1/2 of such maximum amount; and

“(iv) the minimum Federal Pell Grant amount determined under section 401(b)(4) for such award year.

“(C) A clear and conspicuous notice that—

“(i) the Federal Pell Grant amounts listed in subparagraph (B) are for a previous award year, and such amounts and the requirements for awarding such amounts may be different for succeeding award years; and

“(ii) the Federal Pell Grant amount for which a student may be eligible will be determined based on a number of factors, including enrollment status, once the student completes an application form under section 483(a).

“(D) A link to the early estimator tool described in subsection (c) of this section, which includes an explanation that an individual may estimate a student’s potential Federal aid eligibility under this title by accessing the estimator on the individual’s mobile phone or online.

“(3) INCOME CATEGORIES.—The information provided under paragraph (2)(A) shall be disaggregated by the following income categories:

“(A) Less than \$5,000.

“(B) \$5,000 to \$9,999.

“(C) \$10,000 to \$19,999.

“(D) \$20,000 to \$29,999.

“(E) \$30,000 to \$39,999.

“(F) \$40,000 to \$49,999.

“(G) \$50,000 to \$59,999.

“(H) Greater than \$59,999.

“(e) LIMITATION.—The Secretary may not require a State to participate in the activities or disseminate the materials described in this section.”.

SEC. 490. DISTANCE EDUCATION DEMONSTRATION PROGRAMS.

Section 486 (20 U.S.C. 1093(b)) is repealed.

SEC. 491. CONTENTS OF PROGRAM PARTICIPATION AGREEMENTS.

(a) PROGRAM PARTICIPATION AGREEMENTS.—Section 487(a) (20 U.S.C. 1094(a)) is amended in the matter before paragraph (1) by striking “, except with respect to a program under subpart 4 of part A”.

(b) PERKINS CONFORMING CHANGES.—Section 487(a)(5) (20 U.S.C. 1094(a)(5)) is amended by striking “and, in the case of an institution participating in a program under part B or part E, to holders of loans made to the institution’s students under such parts”.

(c) CERTIFICATIONS TO LENDERS.—Section 487(a) (20 U.S.C. 1094(a)) is amended by striking paragraph (6).

(d) STATE GRANT ASSISTANCE.—Section 487(a)(9) (20 U.S.C. 1094(a)(9)) is amended by striking “in a program under part B or D” and inserting “in a loan program under this title”.

(e) OPIOID MISUSE AND SUBSTANCE ABUSE PREVENTION PROGRAM.—Section 487(a)(10) (20 U.S.C. 1094(a)(10)) is amended by inserting “under section 118” after “drug abuse prevention program”.

(f) REPAYMENT SUCCESS PLAN.—Section 487(a)(14) (20 U.S.C. 1094(a)(14)) is amended—

(1) by striking “under part B or D” both places it appears and inserting “a loan program under this title”;

(2) by striking “Default Management Plan” both places it appears and inserting “Repayment Success Plan”; and

(3) in subparagraph (C), by striking “a cohort default rate in excess of 10 percent” both places it appears and inserting “any program with a loan repayment rate less than 65 percent”.

(g) COMMISSIONS TO THIRD-PARTY ENTITIES.—Section 487(a)(20) (20 U.S.C. 1094(a)(20)) is amended—

(1) by striking “The institution” and inserting “(A) Except as provided in subparagraph (B), the institution”; and

(2) by adding at the end the following new subparagraph:

“(B) An institution described in section 101 may provide payment, based on—

“(i) the amount of tuition generated by the institution from student enrollment, to a third-party entity that provides a set of services to the institution that includes student recruitment services, regardless of whether the third-party entity is affiliated with an institution that provides educational services other than the institution providing such payment, if—

“(I) the third-party entity is not affiliated with the institution providing such payment;

“(II) the third-party entity does not make compensation payments to its employees that would be prohibited under subparagraph (A) if such payments were made by the institution;

“(III) the set of services provided to the institution by the third-party entity include services in addition to student recruitment services, and the institution does not pay the third-party entity solely or separately for student recruitment services provided by the third-party entity; and

“(IV) any student recruitment information available to the third-party entity, including personally identifiable information, will not be used by, shared with, or sold to any other person or entity, including any institution that is affiliated with the third-party entity, unless written consent is provided by the student; and

“(ii) students successfully completing their educational programs, to persons who were engaged in recruiting such students, but solely to the extent that such payments—

“(I) are obligated to be paid, and are actually paid, only after each student upon whom such payments are based has successfully completed his or her educational program; and

“(II) are paid only to employees of the institution or its parent company, and not to any other person or outside entity.”.

(h) CLARIFICATION OF PROOF OF AUTHORITY TO OPERATE WITHIN A STATE.—Section 487(a)(21) (20 U.S.C. 1094(a)(21)) is amended by striking “within a State” and inserting “within a State in which it maintains a physical location”.

(i) DISTRIBUTION OF VOTER REGISTRATION FORMS.—Section 487(a)(23) (20 U.S.C. 1094(a)(23)) is amended to read as follows:

“(23) The institution, if located in a State to which section 4(b) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–2(b)) does not apply, will make a good faith effort to distribute, including through electronic transmission, voter registration forms to students enrolled and physically in attendance at the institution.”.

(j) PROHIBITING COPYRIGHT INFRINGEMENT.—Section 487(a)(29) (20 U.S.C. 1094(a)(29)) is amended to read as follows:

“(29) The institution will have a policy prohibiting copyright infringement.”.

(k) MODIFICATIONS TO PREFERRED LENDER LIST REQUIREMENTS.—Section 487(h)(1) (20 U.S.C. 1094(h)(1)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting “and” after the semicolon;

(B) by striking clause (ii); and

(C) by redesignating clause (iii) as clause (ii);

(2) in subparagraph (D), by inserting “and” after the semicolon;

(3) in subparagraph (E), by striking “; and” and inserting a period; and

(4) by striking subparagraphs (C) and (F) and redesignating subparagraphs

(D) and (E) as subparagraphs (C) and (D), respectively.

(l) ELIMINATION OF NON-TITLE IV REVENUE REQUIREMENT.—Section 487 (20 U.S.C. 1094), is further amended—

(1) in subsection (a), by striking paragraph (24);

(2) by striking subsection (d); and

(3) by redesignating subsections (e) through (j) as subsections (d) through (i), respectively.

(m) CONFORMING AMENDMENTS.—The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 487(a) (20 U.S.C. 1094(a)), as amended by this section—

(A) by redesignating paragraphs (7) through (23), as paragraphs (6) through (22), respectively; and

(C) by redesignating paragraphs (25) through (29) as paragraphs (23) through (27), respectively;

(2) in section 487(c)(1)(A)(iii) (20 U.S.C. 1094(c)(1)(A)(iii)), by striking “section 102(a)(1)(C)” and inserting “section 102(a)(1)”; and

(3) in section 487(h)(4) (20 U.S.C. 1094(h)(4)), as redesignated by subsection 1(3), by striking “section 102” and inserting “section 101 or 102”.

SEC. 492. REGULATORY RELIEF AND IMPROVEMENT.

Section 487A (20 U.S.C. 1094a) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “The Secretary is authorized to” and inserting “The Secretary shall”; and

(B) in paragraph (5), by inserting “at least once every two years” before the period at the end; and

(2) in subsection (b)—

(A) in paragraph (2)—

(i) in the paragraph heading, by inserting “ANNUAL” before “REPORT”; and

(ii) by striking the first sentence and inserting “The Secretary shall review the experience, and rigorously evaluate the activities, of all institutions participating as experimental sites and shall, on an annual basis, submit a report based on the review and evaluation findings to the authorizing committees.”;

(B) in paragraph (3), by amending subparagraph (A) to read as follows:

“(A) IN GENERAL.—

“(i) EXPERIMENTAL SITES.—The Secretary is authorized periodically to select a limited number of institutions for voluntary participation as experimental sites to provide recommendations to the Secretary and to the Congress on the impact and effectiveness of proposed regulations or new management initiatives.

“(ii) CONGRESSIONAL NOTICE AND COMMENTS REQUIRED.—

“(I) NOTICE.—Prior to announcing a new experimental site and inviting institutions to participate, the Secretary shall provide to the authorizing committees a notice that shall include—

“(aa) a description of the proposed experiment and rationale for the proposed experiment; and

“(bb) a list of the institutional requirements the Secretary expects to waive and the legal authority for such waivers.

“(II) CONGRESSIONAL COMMENTS.—The Secretary shall not proceed with announcing a new experimental site and inviting institutions to participate until 10 days after the Secretary—

“(aa) receives and addresses all comments from the authorizing committees; and

“(bb) responds to such committees in writing with an explanation of how such comments have been addressed.

- “(iii) PROHIBITION.—The Secretary is not authorized to carry out clause (i) in any year in which an annual report described in paragraph (2) relating to the previous year is not submitted to the authorizing committees.”;
- (C) in paragraph (4)(A), by striking “biennial” and inserting “annual”; and
- (D) by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively.

SEC. 493. TRANSFER OF ALLOTMENTS.

Section 488 (20 U.S.C. 1095) is amended—

- (1) by inserting “, as in effect on the day before the date of enactment of the PROSPER Act,” after “section 462”; and
- (2) by inserting “, as in effect on the day before the date of enactment of the PROSPER Act,” after “or 462”.

SEC. 494. ADMINISTRATIVE EXPENSES.

Section 489(a) (20 U.S.C. 1096(a)) is amended—

- (1) in the second sentence—
- (A) by striking “subpart 3 of part A or part C,” and inserting “part C” ; and
- (B) by striking “or under part E of this title”; and
- (2) in the third sentence—
- (A) by striking “its grants to students under subpart 3 of part A,”; and
- (B) by striking “, and the principal amount of loans made during such fiscal year from its student loan fund established under part E, excluding the principal amount of any such loans which the institution has referred under section 463(a)(4)(B)”.

SEC. 494A. REPEAL OF ADVISORY COMMITTEE.

Section 491 (20 U.S.C. 1098) is repealed.

SEC. 494B. REGIONAL MEETINGS AND NEGOTIATED RULEMAKING.

Section 492 (20 U.S.C. 1098a) is amended—

- (1) by redesignating subsections (c) and (d) as subsections (f) and (g), respectively; and
- (2) by striking subsections (a) and (b) and inserting the following:
- “(a) IN GENERAL.—The Secretary may, in accordance with this section, issue such regulations as are reasonably necessary to ensure compliance with this title.
- “(b) PUBLIC INVOLVEMENT.—The Secretary shall obtain public involvement in the development of proposed regulations for this title. Before carrying out a negotiated rulemaking process as described in subsection (d) or publishing in the Federal Register proposed regulations to carry out this title, the Secretary shall obtain advice and recommendations from individuals, and representatives of groups, involved in student financial assistance programs under this title, such as students, institutions of higher education, financial aid administrators, accrediting agencies or associations, State student grant agencies, guaranty agencies, lenders, secondary markets, loan servicers, guaranty agency servicers, and collection agencies.
- “(c) MEETINGS AND ELECTRONIC EXCHANGE.—
- “(1) IN GENERAL.—The Secretary shall provide for a comprehensive discussion and exchange of information concerning the implementation of this title through such mechanisms as regional meetings and electronic exchanges of information. Such regional meetings and electronic exchanges of information shall be public and notice of such meetings and exchanges shall be provided to—
- “(A) the authorizing committees at least 10 days prior to the notice to interested stakeholders and the public described in subparagraph (B); and
- “(B) interested stakeholders and the public at least 30 days prior to such meetings and exchanges.
- “(2) CONSIDERATION.—The Secretary shall take into account the information received through such mechanisms in the development of proposed regulations and shall publish a summary of such information in the Federal Register prior to beginning the negotiated rulemaking process described in subsection (d).
- “(d) NEGOTIATED RULEMAKING PROCESS.—
- “(1) NEGOTIATED RULEMAKING REQUIRED.—All regulations pertaining to this title that are promulgated after the date of the enactment of this paragraph shall be subject to the negotiated rulemaking process described in this subsection (including the selection of the issues to be negotiated), unless the Secretary—
- “(A) determines that applying such a requirement with respect to given regulations is impracticable, unnecessary, or contrary to the public interest (within the meaning of section 553(b)(3)(B) of title 5, United States Code);

“(B) publishes the basis for such determination in the Federal Register at the same time as the proposed regulations in question are first published; and

“(C) includes the basis for such determination in the congressional notice under subsection (e)(1).

“(2) CONGRESSIONAL NOTICE AND COMMENTS REQUIRED.—

“(A) NOTICE.—The Secretary shall provide to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate notice of the intent establish a negotiated rulemaking committee that shall include—

“(i) the need to issue regulations;

“(ii) the statutory and legal authority of the Secretary to regulate the issue;

“(iii) the summary of public comments described in paragraph (2) of subsection (c);

“(iv) the anticipated burden, including the time, cost, and paperwork burden, the regulations will have on institutions of higher education and other entities that may be impacted by the regulations; and

“(v) any regulations that will be repealed when the new regulations are issued.

“(B) CONGRESSIONAL COMMENTS.—The Secretary shall not proceed with the negotiated rulemaking process—

“(i) until 10 days after the Secretary—

“(I) receives and addresses all comments from the authorizing committees; and

“(II) responds to the authorizing committees in writing with an explanation of how such comments have been addressed; or

“(ii) until 60 days after providing the notice required under subparagraph (A) if the Secretary has not received comments under clause (i).

“(3) PROCESS.—After obtaining advice and recommendations under subsections (b) and (c), and before publishing proposed regulations, the Secretary shall—

“(A) establish a negotiated rulemaking process;

“(B) select individuals to participate in such process—

“(i) from among individuals or groups that provided advice and recommendations under subsections (b) and (c), including—

“(I) representatives of such groups from Washington, D.C.; and

“(II) other industry participants; and

“(ii) with demonstrated expertise or experience in the relevant subjects under negotiation, reflecting the diversity in the industry, representing both large and small participants, as well as individuals serving local areas and national markets;

“(C) prepare a draft of proposed policy options, which shall take into account comments received from both the public and the authorizing committees, that shall be provided to the individuals selected by the Secretary under subparagraph (B) and such authorizing committees not less than 15 days before the first meeting under such process; and

“(D) ensure that the negotiation process is conducted in a timely manner in order that the final regulations may be issued by the Secretary within the 360-day period described in section 437(e) of the General Education Provisions Act (20 U.S.C. 1232(e)).

“(4) AGREEMENTS AND RECORDS.—

“(A) AGREEMENTS.—All published proposed regulations developed through the negotiation process under this subsection shall conform to all agreements resulting from such process unless the Secretary reopens the negotiated rulemaking process.

“(B) RECORDS.—The Secretary shall ensure that a clear and reliable record is maintained of agreements reached during a negotiation process under this subsection.

“(e) PROPOSED RULEMAKING.—If the Secretary determines pursuant to subsection (d)(1) that a negotiated rulemaking process is impracticable, unnecessary, or contrary to the public interest (within the meaning of section 553(b)(3)(B) of title 5, United States Code), or the individuals selected to participate in the process under subsection (d)(3)(B) fail to reach unanimous agreement on an issue being negotiated, the Secretary may propose regulations subject to subsection (f).

“(f) REQUIREMENTS FOR PROPOSED REGULATIONS.—Regulations proposed pursuant to subsection (e) shall meet the following procedural requirements:

“(1) CONGRESSIONAL NOTICE.—Regardless of whether congressional notice was submitted under subsection (d)(2), the Secretary shall provide to the Committee

on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate notice that shall include—

- “(A) a copy of the proposed regulations;
- “(B) the need to issue regulations;
- “(C) the statutory and legal authority of the Secretary to regulate the issue;
- “(D) the anticipated burden, including the time, cost, and paperwork burden, the regulations will have on institutions of higher education and other entities that may be impacted by the regulations; and
- “(E) any regulations that will be repealed when the new regulations are issued.

“(2) CONGRESSIONAL COMMENTS.—The Secretary may not proceed with the rulemaking process—

- “(A) until 10 days after the Secretary—
 - “(i) receives and addresses all comments from the authorizing committees; and
 - “(ii) responds to the authorizing committees in writing with an explanation of how such comments have been addressed; or
- “(B) until 60 days after providing the notice required under paragraph (1) if the Secretary has not received comments under subparagraph (A).

“(3) COMMENT AND REVIEW PERIOD.—The comment and review period for the proposed regulation shall be 90 days unless an emergency requires a shorter period, in which case such period shall be not less than 45 days and the Secretary shall—

- “(A) designate the proposed regulation as an emergency, with an explanation of the emergency, in the notice to the Congress under paragraph (1);
- “(B) publish the length of the comment and review period in such notice and in the Federal Register; and
- “(C) conduct immediately thereafter regional meetings to review such proposed regulation before issuing any final regulation.

“(4) INDEPENDENT ASSESSMENT.—No regulation shall be made final after the comment and review period until the Secretary has published in the Federal Register an independent assessment (which shall include a representative sampling of institutions of higher education based on sector, enrollment, urban, suburban, or rural character, and other factors impacted by the regulation) of—

- “(A) the burden, including the time, cost, and paperwork burden, the final regulation will impose on institutions and other entities that may be impacted by the regulation;
- “(B) an explanation of how the entities described in subparagraph (A) may cover the cost of the burden assessed under such subparagraph; and
- “(C) the regulation, including a thorough assessment, based on the comments received during the comment and review period under paragraph (3), of whether the rule is financially, operationally, and educationally viable at the institutional level.”.

SEC. 494C. REPORT TO CONGRESS.

Section 493C (20 U.S.C. 1098e) is amended by adding at the end the following: “(f) REPORT.—

“(1) IN GENERAL.—Not later than 180 days after the date of enactment of the PROSPER Act, the Secretary shall submit to the authorizing committees a report on the efforts of the Department to detect and combat fraud in the income-driven repayment plans described in paragraph (2).

“(2) INCOME DRIVEN REPAYMENT PLANS DEFINED.—The income-driven repayment plans described in this paragraph are the repayment plans made available under—

- “(A) this section;
- “(B) subparagraphs (D) and (E) of section 455(d)(1); and
- “(C) section 455(e).”.

SEC. 494D. DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.

Section 493D(a) (20 U.S.C. 1098f) is amended, by striking “or 464(c)(2)(A)(iii)” and inserting “464(c)(2)(A)(iii) (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a)), or 469A(a)(2)(A)(iii)”.

SEC. 494E. CONTRACTS; MATCHING PROGRAM.

(a) CONTRACTS FOR SUPPLIES AND SERVICES.—

(1) IN GENERAL.—Part G of title IV (20 U.S.C. 1088 et seq.), as amended by this part, is further amended by adding at the end the following:

“SEC. 493E. CONTRACTS.

“(a) CONTRACTS FOR SUPPLIES AND SERVICES.—

“(1) IN GENERAL.—The Secretary shall, to the extent practicable, award contracts for origination, servicing, and collection described in subsection (b). In awarding such contracts, the Secretary shall ensure that such services and supplies are provided at competitive prices.

“(2) ENTITIES.—The entities with which the Secretary may enter into contracts shall include entities qualified to provide such services and supplies and will comply with the procedures applicable to the award of such contracts. In the case of awarding contracts for the origination, servicing, and collection of loans under parts D and E, the Secretary shall enter into contracts with entities that have extensive and relevant experience and demonstrated effectiveness. The entities with which the Secretary may enter into such contracts may include, where practicable, agencies with agreements with the Secretary under sections 428(b) and (c), if such agencies meet the qualifications as determined by the Secretary under this subsection and if those agencies have such experience and demonstrated effectiveness. In awarding contracts to such State agencies, the Secretary shall, to the extent practicable and consistent with the purposes of parts D and E, give consideration to State agencies with a history of high quality performance to perform services for institutions of higher education within their State.

“(3) ALLOCATIONS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall allocate new borrower loan accounts to entities awarded a contract under this section on the basis of—

“(i) the performance of each such entity compared to other such entities performing similar work using common performance metrics (which may take into account, as appropriate, portfolio risk factors, including a borrower’s time in repayment, category of institution of higher education attended, and completion of an educational program), as determined by the Secretary; and

“(ii) the capacity of each such entity compared to other such entities performing similar work to service new and existing borrower loan accounts.

“(B) FEDERAL ONE CONSOLIDATION LOANS.—Any borrower who receives a Federal ONE Consolidation Loan may select the entity awarded a contract under this section to service such loan.

“(4) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as a limitation of the authority of any State agency to enter into an agreement for the purposes of this section as a member of a consortium of State agencies.

“(b) CONTRACTS FOR ORIGINATION, SERVICING, AND DATA SYSTEMS.—The Secretary may enter into contracts for—

“(1) the servicing and collection of loans made or purchased under part D or E;

“(2) the establishment and operation of 1 or more data systems for the maintenance of records on all loans made or purchased under part D or E; and

“(3) such other aspects of the direct student loan program under part D or E necessary to ensure the successful operation of the program.

“(c) COMMON PERFORMANCE MANUAL.—

“(1) CONSULTATION.—Not later than 180 days after the date of enactment of the PROSPER Act and biannually thereafter, the Secretary shall consult (in writing and in person) with entities awarded contracts for loan servicing under section 456 (as in effect on the day before the date of enactment of the PROSPER Act) and this section, to the extent practicable, to develop and update as necessary, a guidance manual for entities awarded contracts for loan servicing under this section that provides such entities with best practices to ensure borrowers receive adequate and consistent service from such entities.

“(2) PROVISION OF MANUAL.—The Secretary shall provide the most recent guidance manual developed and updated under paragraph (1) to each entity awarded a contract for loan serving under this section.

“(3) ANNUAL REPORT.—The Secretary shall provide to the authorizing committees a report, on an annual basis, detailing the consultation required under paragraph (1).

“(d) FEDERAL PREEMPTION.—

“(1) IN GENERAL.—Covered activities shall not be subject to any law or other requirement of any State or political subdivision of a State with respect to—

“(A) disclosure requirements;

“(B) requirements or restrictions on the content, time, quantity, or frequency of communications with borrowers, endorsers, or references with respect to such loans; or

“(C) any other requirement relating to the servicing or collection of a loan made under this title.

“(2) SERVICING AND COLLECTION.—The requirements of this section with respect to any covered activity shall preempt any law or other requirement of a State or political subdivision of a State to the extent that such law or other requirement would, in the absence of this subsection, apply to such covered activity.

“(3) STATE LICENSES.—No qualified entity engaged in a covered activity shall be required to obtain a license from, or pay a licensing fee or other assessment to, any State or political subdivision of a State relating to such covered activity.

“(4) DEFINITIONS.—For purposes of this section:

“(A) The term ‘covered activity’ means any of the following activities, as carried out by a qualified entity:

“(i) Origination of a loan made under this title.

“(ii) Servicing of a loan made under this title.

“(iii) Collection of a loan made under this title.

“(iv) Any other activity related to the activities described in clauses (i) through (iii).

“(B) The term ‘qualified entity’ means an organization, other than an institution of higher education—

“(i) that is responsible for the servicing or collection of a loan made under this title;

“(ii) that has agreement with the Secretary under subsections (a) and (b) of section 428; or

“(iii) that is under contract with an entity described in clause (i) or clause (ii) to support such entity’s responsibilities under this title.

“(5) LIMITATION.—This subsection shall not have any legal effect on any other preemption provision under Federal law with respect to this title.”

(2) CONFORMING AMENDMENT.—Section 456 (20 U.S.C. 1087f) is repealed.

(b) MATCHING PROGRAM.—Part G of title IV (20 U.S.C. 1088 et seq.), as amended by subsection (a), is further amended by adding at the end the following:

“SEC. 493F. MATCHING PROGRAM.

“(a) IN GENERAL.—The Secretary of Education and the Secretary of Veterans Affairs shall carry out a computer matching program under which the Secretary of Education identifies, on at least a quarterly basis, borrowers—

“(1) who have been assigned a disability rating of 100 percent (or a combination of ratings equaling 100 percent or more) by the Secretary of Veterans Affairs for a service-connected disability (as defined in section 101 of title 38, United States Code); or

“(2) who have been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition, as described in section 437(a)(2).

“(b) BORROWER NOTIFICATION.—With respect to each borrower who is identified under subsection (a), the Secretary shall, as soon as practicable after such identification—

“(1) notify the borrower of the borrower’s eligibility for loan discharge under section 437(a); and

“(2) provide the borrower with simple instructions on how to apply for such loan discharge, including an explanation that the borrower shall not be required to provide any documentation of the borrower’s disability rating to receive such discharge.

“(c) DATA COLLECTION AND REPORT TO CONGRESS.—

“(1) IN GENERAL.—The Secretary shall annually collect and submit to the Committees on Education and the Workforce and Veterans’ Affairs of the House of Representatives and the Committees on Health, Education, Labor, and Pensions and Veterans Affairs of the Senate, data about borrowers applying for and receiving loan discharges under section 437(a), which shall be disaggregated in the manner described in paragraph (2) and include the following:

“(A) The number of applications received under section 437(a).

“(B) The number of such applications that were approved.

“(C) The number of loan discharges that were completed under section 437(a).

“(2) DISAGGREGATION.—The data collected under paragraph (1) shall be disaggregated—

“(A) by borrowers who applied under this section for loan discharges under section 437(a);

“(B) by borrowers who received loan discharges as a result of applying for such discharges under this section;

“(C) by borrowers who applied for loan discharges under section 437(a)(2); and

“(D) by borrowers who received loan discharges as a result of applying for such discharges under section 437(a)(2).

“(d) NOTIFICATION TO BORROWERS.—The Secretary shall notify each borrower whose liability on a loan has been discharged under section 437(a) that the liability on the loan has been so discharged.”.

PART H—PROGRAM INTEGRITY

SEC. 495. REPEAL OF AND PROHIBITION ON STATE AUTHORIZATION REGULATIONS.

(a) REGULATIONS REPEALED.—The following regulations relating to State authorization (including any supplements or revisions to such regulations) are repealed and shall have no force or effect:

(1) The final regulations published by the Department of Education in the Federal Register on October 29, 2010 (75 Fed. Reg. 66832 et seq.).

(2) The final regulations published by the Department of Education in the Federal Register on December 19, 2016 (81 Fed. Reg. 92232 et seq.).

(b) PROHIBITION ON STATE AUTHORIZATION REGULATIONS.—The Secretary of Education shall not, on or after the date of enactment of this Act, promulgate or enforce any regulation or rule with respect to the State authorization for institutions of higher education to operate within a State for any purpose under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(c) INSTITUTIONAL RESPONSIBILITY; TREATMENT OF RELIGIOUS INSTITUTIONS.—Section 495 (20 U.S.C. 1099a) is amended by striking subsection (b) and inserting the following:

“(b) INSTITUTIONAL RESPONSIBILITY.—Each institution of higher education shall provide evidence to the Secretary that the institution has authority to operate within each State in which it maintains a physical location at the time the institution is certified under subpart 3.

“(c) TREATMENT OF RELIGIOUS INSTITUTIONS.—An institution shall be treated as legally authorized to operate educational programs beyond secondary education in a State under section 101(a)(2) if the institution is—

“(1) recognized as a religious institution by the State; and

“(2) because of the institution’s status as a religious institution, exempt from any provision of State law that requires institutions to be authorized by the State to operate educational programs beyond secondary education.”.

SEC. 496. RECOGNITION OF ACCREDITING AGENCY OR ASSOCIATION.

Section 496 (20 U.S.C. 1099b) is amended—

(1) in subsection (j), by striking “section 102” and inserting “section 101”;

(2) in subsection (a)—

(A) in paragraph (2), by amending subparagraph (A) to read as follows: “(A) for the purpose of participation in programs under this Act or other programs administered by the Department of Education or other Federal agencies, has a voluntary membership of institutions of higher education or other entities and has as a principal purpose the accrediting of institutions of higher education or programs;”;

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) by striking “subparagraph (A)(i)” and inserting “subparagraph (A) or (C)”;

(II) by striking “separate” and inserting “separately incorporated”; and

(III) by adding “or” at the end;

(ii) by striking “or” at the end of subparagraph (B); and

(iii) by striking subparagraph (C);

(C) in paragraph (4)—

(i) in subparagraph (A)—

(I) by inserting “as defined by the institution” after “stated mission of the institution of higher education”;

(II) by striking “, including distance education or correspondence courses or programs,”; and

(III) by striking “and” at the end;

(ii) by striking subparagraph (B) and inserting the following:

“(B) such agency or association demonstrates the ability to review, evaluate, and assess the quality of any instruction delivery model or method such agency or association has or seeks to include within its scope of recognition, without giving preference to or differentially treating a particular instruction delivery model or method offered by an institution of higher education or program except that, in a case in which the instruction delivery model allows for the separation of the student from the instructor—

“(i) the agency or association requires the institution to have processes through which the institution establishes that the student who registers in a course or program is the same student who participates in, including, to the extent practicable, testing or other assessment, and completes the program and receives the academic credit; and

“(ii) the agency or association requires that any process used by an institution to comply with the requirement under clause (i) does not infringe upon student privacy and is implemented in a manner that is minimally burdensome to the student; and

“(C) if such an agency or association evaluates or assesses the quality of competency-based education programs, the agency’s or association’s evaluation or assessment —

“(i) shall address effectively the quality of an institution’s competency-based education programs as set forth in paragraph (5), except that the agency or association is not required to have separate standards, procedures, or policies for the evaluation of competency-based education;

“(ii) shall establish whether an institution has demonstrated that its program satisfies the definitions in section 103(25); and

“(iii) shall establish whether an institution has demonstrated that it has defined an academic year for a competency-based program in accordance with section 481(a)(3).”;

(D) by amending paragraph (5) to read as follows:

“(5) the standards for accreditation of the agency or association assess the institution’s success with respect to student learning and educational outcomes in relation to the institution’s mission, which may include different standards for different institutions or programs, except that the standards shall include consideration of student learning and educational outcomes in relation to expected measures of student learning and educational outcomes, which at the agency’s or association’s discretion are established—

“(A) by the agency or association; or

“(B) by the institution or program, at the institution or program level, as the case may be, if the institution or program—

“(i) defines expected student learning goals and educational outcomes;

“(ii) measures and evaluates student learning, educational outcomes, and, if appropriate, other outcomes of the students who complete their program of study;

“(iii) uses information about student learning, educational outcomes, and, if appropriate, other outcomes, to improve the institution or program; and

“(iv) makes such information available to appropriate constituencies;”;

(E) in paragraph (8), by striking “, upon request,”;

(3) in subsection (b)—

(A) in the subsection heading, by striking “SEPARATE” and inserting “SEPARATELY INCORPORATED”;

(B) in the matter preceding paragraph (1), by striking “separate” and inserting “separately incorporated”;

(C) in paragraph (2), by inserting “who shall represent business” after “one such public member”; and

(D) in paragraph (4), by inserting before the period at the end “and is maintained separately from any such entity or organization”;

(4) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting “(which may vary based on institutional risk consistent with policies promulgated by the agency or association to determine such risk and interval frequency as allowed under subsection (p))” after “intervals”; and

(ii) by striking “distance education” and inserting “competency-based education”;

- (B) by striking paragraph (5) and redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;
- (C) by inserting after paragraph (1), the following:
- “(2) develops a mechanism to identify institutions or programs accredited by the agency or association that may be experiencing difficulties accomplishing their missions with respect to the student learning and educational outcome goals established under subsection (a)(5) and—
- “(A) as appropriate, uses information such as student loan default or repayment rates, retention or graduation rates, evidence of student learning, financial data, and other indicators to identify such institutions;
- “(B) not less than annually, evaluates the extent to which those identified institutions or programs continue to be in compliance with the agency or association’s standards; and
- “(C) as appropriate, requires the institution or program to address deficiencies and ensure that any plan to address and remedy deficiencies is successfully implemented.”;
- (D) in paragraph (4)(A), as so redesignated, by striking “487(f)” and inserting “487(e)”;
- (E) by amending paragraph (5), as so redesignated, to read as follows:
- “(5) establishes and applies or maintains policies which ensure that any substantive change to the educational mission, program, or programs of an institution after the agency or association has granted the institution accreditation or preaccreditation status does not adversely affect the capacity of the institution to continue to meet the agency’s or association’s standards for such accreditation or preaccreditation status, which shall include policies that—
- “(A) require the institution to obtain the agency’s or association’s approval of the substantive change before the agency or association includes the change in the scope of the institution’s accreditation or preaccreditation status; and
- “(B) define substantive change to include, at a minimum—
- “(i) any change in the established mission or objectives of the institution;
- “(ii) any change in the legal status, form of control, or ownership of the institution;
- “(iii) the addition of courses, programs of instruction, training, or study, or credentials or degrees that represent a significant departure from the courses, programs, or credentials or degrees that were offered at time the agency or association last evaluated the institution; or
- “(iv) the entering into a contract under which an institution or organization not certified to participate programs under title IV provides a portion of an accredited institution’s educational program that is greater than 25 percent.”;
- (F) in paragraph (7)—
- (i) in the matter preceding subparagraph (A), by inserting “, on the agency’s or association’s website,” after “public”;
- (ii) in subparagraph (C), by inserting before the semicolon at the end the following: “, and a summary of why such action was taken or such placement was made”;
- (G) in paragraph (8), by striking “and” at the end;
- (H) in paragraph (9), by striking the period at the end and inserting a semicolon;
- (I) by adding at the end the following:
- “(10) makes publicly available, on the agency or association’s website, a list of the institutions of higher education accredited by such agency or association, which includes, with respect to each institution on the list—
- “(A) the year accreditation was granted;
- “(B) the most recent date of a comprehensive evaluation of the institution under paragraph (1); and
- “(C) the anticipated date of the next such evaluation; and
- “(11) confirms, as a part of the agency’s or association’s review for accreditation or reaccreditation, that the institution’s website includes consumer information described section paragraphs (1) and (2) of section 132(d).”;
- (5) in subsection (e)—
- (A) by striking “The Secretary” and inserting the following:
- “(1) IN GENERAL.—Subject to paragraph (2), the Secretary”; and
- (B) by adding at the end the following:
- “(2) EXCEPTION.—Paragraph (1) shall not apply in the case of an institution described in subsection (j).”.
- (6) by striking subsection (h) and inserting the following:

“(h) CHANGE OF ACCREDITING AGENCY OR ASSOCIATION.—

“(1) IN GENERAL.—The Secretary shall not recognize the accreditation of any otherwise eligible institution of higher education if the institution is in the process of changing its accrediting agency or association and is subject to one or more of the following actions, unless the eligible institution submits to the Secretary materials demonstrating a reasonable cause for changing the accrediting agency or association:

“(A) A pending or final action brought by a State agency to suspend, revoke, withdraw, or terminate the institution’s legal authority to provide postsecondary education in the State.

“(B) A decision by a recognized accrediting agency or association to deny accreditation or preaccreditation to the institution.

“(C) A pending or final action brought by a recognized accrediting agency or association to suspend, revoke, withdraw, or terminate the institution’s accreditation or preaccreditation.

“(D) Probation or an equivalent status imposed on the institution by a recognized accrediting agency or association.

“(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to restrict the ability of an institution of higher education not subject to an action described in paragraph (1) and otherwise in good standing to change accrediting agencies or associations without the approval of the Secretary as long as the institution notifies the Secretary of the change.”;

(7) by striking subsection (k) and inserting the following:

“(k) RELIGIOUS INSTITUTION RULE.—

“(1) IN GENERAL.—Notwithstanding subsection (j), the Secretary shall allow an institution that has had its accreditation withdrawn, revoked, or otherwise terminated, or has voluntarily withdrawn from an accreditation agency, to remain certified as an institution of higher education under section 101 and subpart 3 of this part for a period sufficient to allow such institution to obtain alternative accreditation, if the Secretary determines that the withdrawal, revocation, or termination—

“(A) is related to the religious mission or affiliation of the institution; and

“(B) is not related to the accreditation criteria provided for in this section.

“(2) REQUIREMENTS.—For purposes of this section the following shall apply:

“(A) The religious mission of an institution may be reflected in the institution’s religious tenets, beliefs, or teachings, and any policies or decisions related to such tenets, beliefs, or teachings (including any policies or decisions concerning housing, employment, curriculum, self-governance, or student admission, continuing enrollment, or graduation).

“(B) An agency or association’s standard fails to respect an institution’s religious mission when the institution determines that the standard induces, pressures, or coerces the institution to act contrary to, or to refrain from acting in support of, any aspect of its religious mission.

“(3) ADMINISTRATIVE COMPLAINT FOR FAILURE TO RESPECT RELIGIOUS MISSION.—

“(A) IN GENERAL.—

“(i) INSTITUTION.—If an institution of higher education believes that an adverse action of an accrediting agency or association fails to respect the institution’s religious mission in violation of subsection (a)(4)(A), the institution—

“(I) may file a complaint with the Secretary to require the agency or association to withdraw the adverse action; and

“(II) prior to filing such complaint, shall notify the Secretary and the agency or association of an intent to file such complaint not later than 30 days after—

“(aa) receiving the adverse action from the agency or association; or

“(bb) determining that discussions with or the processes of the agency or association to remedy the failure to respect the religious mission of the institution will fail to result in the withdrawal of the adverse action by the agency or association.

“(ii) ACCREDITING AGENCY OR ASSOCIATION.—Upon notification of an intent to file a complaint and through the duration of the complaint process under this paragraph, the Secretary and the accrediting agency or association shall treat the accreditation status of the institution of higher education as if the adverse action for which the institution is filing the complaint had not been taken.

“(B) COMPLAINT.—Not later than 45 days after providing notice of the intent to file a complaint, the institution shall file the complaint with the Sec-

retary (and provide a copy to the accrediting agency or association), which shall include—

- “(i) a description of the adverse action;
- “(ii) how the adverse action fails to respect the institution’s religious mission in violation of subsection (a)(4)(A); and
- “(iii) any other information the institution determines relevant to the complaint.

“(C) RESPONSE.—

“(i) IN GENERAL.—The accrediting agency or association shall have 30 days from the date the complaint is filed with the Secretary to file with the Secretary (and provide a copy to the institution) a response to the complaint, which response shall include—

“(I) how the adverse action is based on a violation of the agency or association’s standards for accreditation; and

“(II) how the adverse action does not fail to respect the religious mission of the institution and is in compliance with subsection (a)(4)(A).

“(ii) BURDEN OF PROOF.—

“(I) IN GENERAL.—The accrediting agency or association shall bear the burden of proving that the agency or association has not taken the adverse action as a result of the institution’s religious mission, and that the action does not fail to respect the institution’s religious mission in violation of subsection (a)(4)(A), by showing that the adverse action does not impact the aspect of the religious claimed to be affected in the complaint.

“(II) INSUFFICIENT PROOF.—Any evidence that the adverse action results from the application of a neutral and generally applicable rule shall be insufficient to prove that the action does not fail to respect an institution’s religious mission.

“(D) ADDITIONAL INSTITUTION RESPONSE.—The institution shall have 15 days from the date on which the agency or association’s response is filed with the Secretary to—

“(i) file with the Secretary (and provide a copy to the agency or association) a response to any issues raised in the response of the agency or association; or

“(ii) inform the Secretary and the agency or association that the institution elects to waive the right to respond to the response of the agency or association.

“(E) SECRETARIAL ACTION.—

“(i) IN GENERAL.—Not later than 15 days of receipt of the institution’s response under subparagraph (D) or notification that the institution elects not to file a response under such subparagraph—

“(I) the Secretary shall review the materials to determine if the accrediting agency or association has met its burden of proof under subparagraph (C)(ii)(I); or

“(II) in a case in which the Secretary fails to conduct such review—

“(aa) the Secretary shall be deemed as determining that the adverse action fails to respect the religious mission of the institution; and

“(bb) the accrediting agency or association shall be required to reverse the action immediately and take no further action with respect to such adverse action.

“(ii) REVIEW OF COMPLAINT.—In reviewing the complaint under clause

(i)(I)—

“(I) the Secretary shall consider the institution to be correct in the assertion that the adverse action fails to respect the institution’s religious mission and shall apply the burden of proof described in subparagraph (C)(ii)(I) with respect to the accrediting agency or association; and

“(II) if the Secretary determines that the accrediting agency or association fails to meet such burden of proof—

“(aa) the Secretary shall notify the institution and the agency or association that the agency or association is not in compliance with subsection (a)(4)(A), and that such agency or association shall carry out the requirements of item (bb) to be in compliance subsection (a)(4)(A); and

“(bb) the agency or association shall reverse the adverse action immediately and take no further action with respect to such adverse action.

“(iii) FINAL DEPARTMENTAL ACTION.—The Secretary’s determination under this subparagraph shall be the final action of the Department on the complaint.

“(F) RULE OF CONSTRUCTION.—Nothing in this paragraph shall prohibit—

“(i) an accrediting agency or association from taking an adverse action against an institution of higher education for a failure to comply with the agency or association’s standards of accreditation as long as such standards are in compliance with subsection (a)(4)(A) and any other applicable requirements of this section; or

“(ii) an institution of higher education from exercising any other rights to address concerns with respect to an accrediting agency or association or the accreditation process of an accrediting agency or association.

“(G) GUIDANCE.—

“(i) IN GENERAL.—The Secretary may only issue guidance under this paragraph that explains or clarifies the process for providing notice of an intent to file a complaint or for filing a complaint under this paragraph.

“(ii) CLARIFICATION.—The Secretary may not issue guidance, or otherwise determine or suggest, when discussions to remedy the failure by an accrediting agency or association to respect the religious mission of an institution of higher education referred to in subparagraph (A)(i)(II)(bb) have failed or will fail.”;

(8) in subsection (n)(3), by striking “distance education courses or programs” each place it appears and inserting “competency-based education programs”;

(9) in subsection (o), by inserting before the period at the end the following: “, or with respect to the policies and procedures of an accreditation agency or association described in paragraph (2) or (5) of subsection (c) or how the agency or association carries out such policies and procedures”;

(10) by striking subsections (p) and (q); and

(11) by adding at the end the following:

“(p) RISK-BASED OR DIFFERENTIATED REVIEW PROCESSES OR PROCEDURES.—

“(1) IN GENERAL.—Notwithstanding any other provision of law (including subsection (a)(4)(A)), an accrediting agency or association may establish, with the involvement of its membership, risk-based or differentiated review processes or procedures for assessing compliance with the accrediting agency or association’s standards, including policies related to substantive change and award of accreditation statuses, for institutions of higher education or programs that have demonstrated exceptional past performance with respect to meeting the accrediting agency or association’s standards.

“(2) PROHIBITION.—Risk-based or differentiated review processes or procedures shall not discriminate against, or otherwise preclude, institutions of higher education based on institutional sector or category, including an institution of higher education’s tax status.

“(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to permit the Secretary to establish any criterion that specifies, defines, or prescribes an accrediting agency or association’s risk-based or differentiated review process or procedure.

“(q) WAIVER.—The Secretary shall establish a process through which an agency or association may seek to have a requirement of this subpart waived, if such agency or association—

“(1) demonstrates that such waiver is necessary to enable an institution of higher education or program accredited by the agency or association to implement innovative practices intended to—

“(A) reduce administrative burdens to the institution or program without creating costs for the taxpayer; or

“(B) improve the delivery of services to students, improve instruction or learning outcomes, or otherwise benefit students; and

“(2) describes the terms and conditions that will be placed upon the program or institution to ensure academic integrity and quality.”.

SEC. 497. ELIGIBILITY AND CERTIFICATION PROCEDURES.

(a) ELIGIBILITY AND CERTIFICATION PROCEDURES.—Section 498 (20 U.S.C. 1099c) is amended—

(1) in subsection (a)—

(A) by striking “For purposes of” and inserting the following:

- “(1) IN GENERAL.—For purposes of”;
- (B) by inserting “, subject to paragraph (2),” after “determine”; and
- (C) by adding at the end the following:
- “(2) SPECIAL RULE.—The determination of whether an institution of higher education is legally authorized to operate in a State under section 101(a)(2) shall be based solely on that State’s laws.”;
- (2) in subsection (b)(5), by striking “B or D” and inserting “E”;
- (3) in subsection (c)—
- (A) by redesignating paragraphs (4), (5), and (6) as paragraphs (6), (7), and (8), respectively;
- (B) by striking the subsection designation and all that follows through the end of paragraph (3) and inserting the following:
- “(c) FINANCIAL RESPONSIBILITY STANDARDS.—(1) The Secretary shall determine whether an institution has the financial responsibility required by this title in accordance with paragraph (2).
- “(2) An institution shall be determined to be financially responsible by the Secretary, as required by this title, if the institution is able to provide the services described in its official publications and statements, is able to provide the administrative resources necessary to comply with the requirements of this title, and meets one of the following conditions:
- “(A) Such institution has its liabilities backed by the full faith and credit of a State, or its equivalent.
- “(B) Such institution has a bond credit quality rating of investment grade or higher from a recognized credit rating agency.
- “(C) Such institution has expendable net assets equal to not less than one-half of the annual potential liabilities of such institution to the Secretary for funds under this title, including loan obligations discharged pursuant to section 437, and to students for refunds of institutional charges, including funds under this title, as calculated by an independent certified public accountant in accordance with generally accepted auditing standards.
- “(D) Such institution establishes, with the support of a financial statement audited by an independent certified public accountant in accordance with generally accepted auditing standards, that the institution has sufficient resources to ensure against the precipitous closure of the institution, including the ability to meet all of its financial obligations (including refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary).
- “(E) Such institution has met criteria, prescribed by the Secretary by regulation in accordance with paragraph (3), that—
- “(i) establish ratios that demonstrate financial responsibility in accordance with generally accepted auditing standards as described in paragraph (7);
- “(ii) incorporate the procedures described in paragraph (4);
- “(iii) establish consequences for failure to meet the criteria described in paragraph (5); and
- “(iv) take into account any differences in generally accepted accounting principles, and the financial statements required thereunder, that are applicable to for-profit, public, and nonprofit institutions.
- “(3) The criteria prescribed pursuant to paragraph (2)(E) shall provide that the Secretary shall—
- “(A) not later than 6 months after an institution that is subject to the requirements of paragraph (2)(E) has submitted its annual financial statement, provide to such institution a notification of its preliminary score under such paragraph;
- “(B) provide to each such institution a description of the method used, and complete copies of all the calculations performed, to determine the institution’s score, if such institution makes a request for such information within 45 days after receiving the notice under subparagraph (A);
- “(C) within 60 days of receipt by an institution of the information described in subparagraph (B)—
- “(i) allow the institution to correct or cure an administrative, accounting, or recordkeeping error if the error is not part of a pattern of errors and there is no evidence of fraud or misconduct related to the error;
- “(ii) if the institution demonstrates that the Secretary has made errors in its determination of the initial score or has used non-standard accounting practices in reaching its determination, notify the institution that its composite score has been corrected; and
- “(iii) take into consideration any subsequent change in the institution’s overall fiscal health that would raise the institution’s score;

“(D) maintain and preserve at all times the confidentiality of any review until such score is determined to be final; and

“(E) make a determination regarding whether the institution has met the standards of financial responsibility based on an audited and certified financial statement of the institution as described in paragraph (7).

“(4) If the Secretary determines, after conducting an initial review, that the institution has not met at least one of the conditions described in subparagraphs (A) through (E) of paragraph (2) but has otherwise met the requirements of such paragraph—

“(A) the Secretary shall request information relating to such conditions for any affiliated or parent organization, company, or foundation owning or owned by the institution; and

“(B) if such additional information demonstrates that an affiliated or parent organization, company, or foundation owning or owned by the institution meets at least one of the conditions describe in subparagraphs (A) through (E) of paragraph (2), the institution shall be determined to be financially responsible as required by this title.

“(5) The Secretary shall establish policies and procedures to address an institution’s failure to meet the criteria of paragraph (2) which shall include policies and procedures that—

“(A) require an institution that fails to meet the criteria for three consecutive years to provide to the Secretary a financial plan;

“(B) provide for additional oversight and cash monitoring restrictions, as appropriate;

“(C) allow an institution to submit to the Secretary third-party financial guarantees that the Secretary determines are reasonable, such as performance bonds or letters of credit payable to the Secretary, except that an institution may not be required to obtain a letter of credit in order to be deemed financially responsible unless—

“(i) the institution has been deemed not to be a going concern, as determined by an independent certified public accountant in accordance with generally accepted auditing standards;

“(ii) the institution is determined by the Secretary to be at risk of precipitous closure when the full financial resources of the institution, including the value of the institution’s expendable endowment, are considered; or

“(iii) the institution is determined by the Secretary to be at risk of not meeting all of its financial obligations, including refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary; and

“(D) provide for the removal of all requirements related to the institution’s failure to meet the criteria once the criteria are met.”; and

(C) in paragraph (7), as so redesignated, by striking “paragraphs (2) and (3)(C)” and inserting “paragraph (2)”; and

(4) in subsection (g)(3)—

(A) by striking “section 102(a)(1)(C)” and inserting “section 102(a)(1)”; and

(B) by striking “part B” and inserting “part D or E”;

(5) in subsection (h)(2), by striking “18” and inserting “36”;

(6) in subsection (i)(1), by striking “section 102 (other than the requirements in subsections (b)(5) and (c)(3))” and inserting “sections 101 (other than the requirements in subsections (b)(1)(A) and (b)(2)) and 102”;

(7) in subsection (j)(1), by striking “meet the requirements of sections 102(b)(1)(E) and 102(c)(1)(C)” and inserting “meet the requirements to be considered an institution of higher education under sections 101(b)(1)(A) and 101(b)(2)”; and

(8) in subsection (k)—

(A) in paragraph (1), by striking “487(f)” and inserting “487(e)”; and

(B) in paragraph (2)(A), by striking “meet the requirements of sections 102(b)(1)(E) and 102(c)(1)(C)” and inserting “meet the requirements to be considered an institution of higher education under sections 101(b)(1)(A) and 101(b)(2)”.

(b) PROGRAM REVIEW AND DATA.—Section 498A (20 U.S.C. 1099c–1) is amended—

(1) in subsection (a)(2)—

(A) by striking “part B of” both places it appears;

(B) in subparagraph (A), by inserting before the semicolon at the end the following: “, or after the transition period described in section 481B(e)(3), institutions in which 25 percent or more of the educational programs have a loan repayment rate (defined in section 481B(c)) for the most recent fiscal year of less than 50 percent”;

- (C) in subparagraph (B), by inserting before the semicolon at the end the following: “, except that this subparagraph shall not apply after the transition period described in section 481B(e)(3)”; and
- (D) in subparagraph (C)—
- (i) by inserting “, Federal ONE Loan volume” after “Stafford/Ford Loan volume”; and
 - (ii) by inserting “, Federal ONE Loan program” after “Stafford/Ford Loan program”;
- (2) in subsection (b)—
- (A) by redesignating paragraphs (3) through (8) as paragraphs (4) through (9), respectively;
 - (B) by inserting after paragraph (2) the following new paragraph:

“(3) as practicable, provide a written explanation to the institution of higher education detailing the Secretary’s reasons for initiating the program review which, if applicable, shall include references to specific criteria under subsection (a)(2);” and
 - (C) in paragraph (9), as so redesignated—
 - (i) by striking “paragraphs (6) and (7)” and inserting “paragraphs (7) and (8)”; and
 - (ii) by striking “paragraph (5)” and inserting “paragraph (6)”; and
- (3) by adding at the end the following new subsection:
- “(f) **TIME LIMIT ON PROGRAM REVIEW ACTIVITIES.**—In conducting, responding to, and concluding program review activities, the Secretary shall—
- “(1) provide to the institution the initial report finding not later than 90 days after concluding an initial site visit;
 - “(2) upon each receipt of an institution’s response during a program review inquiry, respond in a substantive manner within 90 days;
 - “(3) upon each receipt of an institution’s written response to a draft final program review report, provide the final program review report and accompanying enforcement actions, if any, within 90 days; and
 - “(4) conclude the entire program review process not later than 2 years after the initiation of a program review, unless the Secretary determines that such a review is sufficiently complex and cannot reasonably be concluded before the expiration of such 2-year period, in which case the Secretary shall promptly notify the institution of the reasons for such delay and provide an anticipated date for conclusion of the review.”.
- (c) **REVIEW OF REGULATIONS.**—Section 498B(b) (20 U.S.C. 1099c-2(b)) is amended by striking “section 102(a)(1)(C)” and inserting “section 102(a)(1)”.

TITLE V—DEVELOPING INSTITUTIONS

SEC. 501. HISPANIC-SERVING INSTITUTIONS.

Part A of title V (20 U.S.C. 1101 et seq.) is amended—

- (1) in section 502(a)—
- (A) in paragraph (1), by striking “institution for instruction” and inserting “institution of higher education for instruction”;
 - (B) in paragraph (2)(A)—
 - (i) by redesignating clauses (v) and (vi) as clauses (vi) and (v), respectively;
 - (ii) in clause (v) (as so redesignated), by inserting “(as defined in section 103(20)(A))” after “State”; and
 - (iii) in clause (vi) (as so redesignated), by striking “and” at the end; and
 - (C) in paragraph (2)—
 - (i) by striking the period at the end of subparagraph (B) and inserting “; and”; and
 - (ii) by inserting after subparagraph (B) the following:

“(C) except as provided in section 522(b), an institution that has a completion rate of at least 25 percent that is calculated by—

 - “(i) counting a student as completed if that student graduated within 150 percent of the normal time for completion; or
 - “(ii) counting a student as completed if that student enrolled into another program at an institution for which the previous program provided substantial preparation within 150 percent of normal time for completion.”;
- (2) in section 503—
- (A) in subsection (b)—

(i) in paragraph (5), by striking “counseling, and” and inserting “counseling, advising, and”

(ii) in paragraph (7), by striking “funds management” and inserting “funds and administrative management”;

(iii) in paragraph (11), by striking “Creating” and all that follows through “technologies,” and inserting “Innovative learning models and creating or improving facilities for Internet or other innovative technologies,”; and

(iv) by redesignating paragraph (16) as paragraph (20) and inserting after paragraph (15) the following:

“(16) The development, coordination, implementation, or improvement of career and technical education programs (as defined in section 135 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2355)).

“(17) Alignment and integration of career and technical education programs with programs of study leading to a bachelor’s degree, graduate degree, or professional degree.

“(18) Developing or expanding access to dual or concurrent enrollment programs and early college high school programs.

“(19) Pay for success initiatives that improve time to completion and increase graduation rates.”; and

(B) in subsection (c), by adding at the end the following:

“(4) SCHOLARSHIP.—An institution that uses grant funds provided under this part to establish or increase an endowment fund may use the income from such endowment fund to provide scholarships to students for the purposes of attending such institution, subject to the limitation in section 331(c)(3)(B)(i).”;

(3) in section 504, by striking subsection (a) and inserting the following:

“(a) AWARD PERIOD.—The Secretary may award a grant to a Hispanic-serving institution under this part for a period of 5 years. Any funds awarded under this part that are not expended or used, before the date that is 10 years after the date on which the grant was awarded, for the purposes for which the funds were paid shall be repaid to the Treasury.”; and

(4) in section 505, by striking “this title” each place such term appears and inserting “this part”.

SEC. 502. PROMOTING POSTBACCALAUREATE OPPORTUNITIES FOR HISPANIC AMERICANS.

Part B of title V (20 U.S.C. 1102 et seq.) is amended—

(1) in section 513—

(A) by striking paragraph (1) and inserting the following:

“(1) The activities described in (1) through (4), (11), and (19) of section 503(b).”;

(B) by striking paragraphs (2) and (3); and

(C) by redesignating paragraphs (4) through (8) as paragraphs (2) through (6), respectively; and

(D) in paragraph (4) (as so redesignated), by striking “Creating” and all that follows through “technologies,” and inserting “Innovative learning models and creating or improving facilities for Internet or other innovative technologies,”; and

(2) in section 514—

(A) by striking subsection (b) and inserting the following:

“(b) DURATION.—The Secretary may award a grant to a Hispanic-serving institution under this part for a period of 5 years. Any funds awarded under this part that are not expended or used for the purposes for which the funds were paid within 10 years following the date on which the grant was awarded shall be repaid to the Treasury.”; and

(B) by adding at the end the following:

“(d) SPECIAL RULE.—No Hispanic-serving institution that is eligible for and receives funds under this part may receive funds under part A or B of title III during the period for which funds under this part are awarded.”.

SEC. 503. GENERAL PROVISIONS.

Part C of title V (20 U.S.C. 1103 et seq.) is amended—

(1) in section 521(c)(7)—

(A) by striking subparagraph (C);

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively; and

(C) in subparagraph (D), as so redesignated, by striking “subparagraph (D)” and inserting “subparagraph (C)”;

(2) in section 522(b)—

(A) in the subsection heading, by inserting “; COMPLETION RATES” after “EXPENDITURES”;

- (B) in paragraph (1), by inserting “or 502(a)(2)(C)” after “502(a)(2)(A)(ii);”
and
(C) in paragraph (2)—
 (i) in the paragraph heading, by inserting “AND COMPLETION RATES”
after “EXPENDITURES”;
 (ii) in the matter preceding subparagraph (A), by inserting “or
502(a)(2)(C)” after “502(a)(2)(A)(ii);” and
 (iii) in subparagraph (A), by inserting “or section 502(a)(2)(C)” after
“502(a)(2)(A);”
 (3) in section 524(c), by striking “section 505” and inserting “section 504”; and
 (4) in section 528—
 (A) in subsection (a), by striking “parts A and C” and all that follows
through the period at the end and inserting “parts A and C, \$107,795,000
for each of fiscal years 2019 through 2024.”; and
 (B) in subsection (b), by striking “part B” and all that follows through the
period at the end and inserting “part B, \$9,671,000 for each of fiscal years
2019 through 2024.”.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUDIES.

(a) GRADUATE AND UNDERGRADUATE LANGUAGE AND AREA CENTERS AND PROGRAMS.—Section 602 (20 U.S.C. 1122) is amended—

- (1) in subsection (a)(4)(F), by inserting “(C),” after “(B),”; and
 (2) in subsection (e)—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B),
respectively, and realigning such subparagraphs so as to be indented 4 ems
from the left margin;

(B) by striking “(e) APPLICATION.—Each institution” and inserting the fol-
lowing:

“(e) APPLICATION.—

“(1) SUBMISSION; CONTENTS.—Each institution”; and

(C) by adding at the end the following new paragraph:

“(2) APPROVAL.—The Secretary may approve an application for a grant if an
institution, in its application, provides adequate assurances that it will comply
with paragraph (1)(A). The Secretary shall use the requirement of paragraph
(1)(A) as part of the application evaluation, review, and approval process when
determining grant recipients for initial funding and continuation awards.”.

(b) DISCONTINUATION OF CERTAIN PROGRAMS.—Part A of title VI (20 U.S.C. 1121
et seq.) is amended—

- (1) by striking section 604;
 (2) by striking section 606;
 (3) by striking section 609; and
 (4) by striking section 610.

(c) CONFORMING AMENDMENT.—Part A of title VI (20 U.S.C. 1121 et seq.) is fur-
ther amended by redesignating sections 605, 607, and 608 as sections 604, 605, and
606, respectively.

SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS.

(a) CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.—Section 612 (20 U.S.C.
1130–1) is amended—

- (1) in subsection (f)(3), by inserting “and a wide range of views” after “diverse
perspectives”; and

(2) by adding at the end the following new subsection:

“(g) APPROVAL.—The Secretary may approve an application for a grant if an insti-
tution, in its application, provides adequate assurances that it will comply with sub-
section (f)(3). The Secretary shall use the requirement of subsection (f)(3) as part
of the application evaluation, review, and approval process when determining grant
recipients for initial funding and continuation awards.”.

(b) DISCONTINUATION OF CERTAIN PROGRAMS.—Part B of title VI (20 U.S.C. 1130
et seq.) is amended by striking sections 613 and 614.

SEC. 603. REPEAL OF ASSISTANCE PROGRAM FOR INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.

Part C of title VI (20 U.S.C. 1131 et seq.) is repealed.

SEC. 604. GENERAL PROVISIONS.

- (a) **DEFINITIONS.**—Section 631(a) (20 U.S.C. 1132(a)) is amended—
- (1) by striking paragraphs (5) and (9);
 - (2) in paragraph (8), by inserting “and” after the semicolon at the end; and
 - (3) by redesignating paragraphs (6), (7), (8), and (10) as paragraphs (5), (6), (7), and (8), respectively.
- (b) **SPECIAL RULE.**—Section 632(2) (20 U.S.C. 1132-1(2)) is amended by inserting “substantial” before “need”.
- (c) **REPORTS.**—Section 636 (20 U.S.C. 1132-5) is amended—
- (1) by inserting “(a) BIENNIAL REPORT ON AREAS OF NATIONAL NEED.—” before “The Secretary”; and
 - (2) by adding at the end the following new subsection:
“(b) **ANNUAL REPORT ON COMPLIANCE WITH DIVERSE PERSPECTIVES AND A WIDE RANGE OF VIEWS REQUIREMENT.**—Not later than 180 days after the date of the enactment of this subsection, and annually thereafter, the Secretary shall submit to the authorizing committees a report that identifies the efforts taken to ensure recipients’ compliance with the requirements under this title relating to the ‘diverse perspectives and a wide range of views’ requirement, including any technical assistance the Department has provided, any regulatory guidance the Department has issued, and any monitoring the Department has conducted. Such report shall be made available to the public.”.
- (d) **REPEAL OF SCIENCE AND TECHNOLOGY ADVANCED FOREIGN LANGUAGE EDUCATION GRANT PROGRAM.**—Section 637 (20 U.S.C. 1132-6) is repealed.
- (e) **REPORTING BY INSTITUTIONS.**—Section 638(b) (20 U.S.C. 1132-7(b)) is amended to read as follows:
- “(b) **DATA REQUIRED.**—
- “(1) **IN GENERAL.**—Except as provided in paragraph (5), the Secretary shall require an institution of higher education referred to in subsection (a) to file a disclosure report under paragraph (2) with the Secretary on January 31 or July 31, whichever is sooner, with respect to the date on which such institution received a contribution—
 - “(A) less than 7 months from such date; and
 - “(B) greater than 30 days from such date.
 - “(2) **CONTENTS OF REPORT.**—Each report to the Secretary required by this section shall contain the following information with respect to the institution of higher education filing the report:
 - “(A) For gifts received from, or contracts entered into with a foreign source other than a foreign government, the following information:
 - “(i) The aggregate dollar amount of such gifts and contracts attributable to each country, including the fair market value of the services of staff members, textbooks, and other in-kind gifts.
 - “(ii) The legal name of the entity providing any such gift or contract.
 - “(iii) The country to which the gift is attributable.
 - “(B) For gifts received from, or contracts entered into with, a foreign government, the aggregate dollar amount of such gifts and contracts received from each foreign government and the legal name of the entity providing any such gift or contract.
 - “(C) In the case of an institution of higher education that is owned or controlled by a foreign source—
 - “(i) the identity of the foreign source;
 - “(ii) the date on which the foreign source assumed ownership or control of the institution; and
 - “(iii) any changes in program or structure resulting from the change in ownership or control.
 - “(3) **ADDITIONAL DISCLOSURES FOR RESTRICTED AND CONDITIONAL GIFTS.**—Notwithstanding paragraph (1), when an institution of higher education receives a restricted or conditional gift or contract from a foreign source, the institution shall disclose the following:
 - “(A) In the case of gifts received from, or contracts entered into with, a foreign source other than a foreign government, the amount, the date, and a description of such conditions or restrictions.
 - “(B) The country to which the gift is attributable.
 - “(C) In the case of gifts received from, or contracts entered into with, a foreign government, the amount, the date, a description of such conditions or restrictions, and the name of the foreign government.
 - “(4) **ATTRIBUTION OF GIFTS.**—For purposes of this subsection, the country to which a gift is attributable is—
 - “(A) the country of citizenship; or
 - “(B) if the information described in subparagraph (A) is not known—

- “(i) the principal residence for a foreign source who is a natural person; or
 - “(ii) the principal place of business and country of incorporation for a foreign source that is a legal entity.
- “(5) RELATION TO OTHER REPORTING REQUIREMENTS.—
- “(A) STATE REQUIREMENTS.—If an institution described under subsection (a) is located within a State that has enacted requirements for public disclosure of gifts from, or contracts with, a foreign source that are substantially similar to the requirements of this section, as determined by the Secretary, a copy of the disclosure report filed with the State may be filed with the Secretary in lieu of a report required under paragraph (1).
 - “(B) ASSURANCES.—With respect to an institution that submits a copy of a disclosure report pursuant to subparagraph (A), the State in which such institution is located shall provide to the Secretary such assurances as the Secretary may require to establish that the institution has met the requirements for public disclosure under the laws of such State.
 - “(C) USE OF OTHER FEDERAL REPORTS.—If an institution receives a gift from, or enters into a contract with, a foreign source, where any other Federal law or regulation requires a report containing requirements substantially similar to the requirements under this section, as determined by the Secretary, a copy of the report may be filed with the Secretary in lieu of a report required under subsection (b).
- “(6) PUBLIC INSPECTION.—A disclosure report required by this section shall be—
- “(A) available as public records open to inspection and copying during business hours;
 - “(B) available electronically; and
 - “(C) made available under subparagraphs (A) and (B) not later than 30 days after the Secretary receives such report.
- “(7) ENFORCEMENT.—
- “(A) COMPEL COMPLIANCE.—Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated under this section, a civil action may be brought by the Attorney General, at the request of the Secretary, in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such court to compel compliance with the requirements of this section.
 - “(B) COSTS.—For knowing or willful failure to comply with the requirements of this section, including any rule or regulation promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.
- “(8) DEFINITIONS.—In this section:
- “(A) CONTRACT.—The term ‘contract’ means any agreement for the acquisition by purchase, lease, gift, or barter of property or services by the foreign source, for the direct benefit or use of either of the parties.
 - “(B) FOREIGN SOURCE.—The term ‘foreign source’ means—
 - “(i) a foreign government, including an agency of a foreign government;
 - “(ii) a legal entity, governmental or otherwise, created solely under the laws of a foreign state or states;
 - “(iii) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and
 - “(iv) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source.
 - “(C) GIFT.—The term ‘gift’ means any gift of money, property, human resources, or payment of any staff.
 - “(D) RESTRICTED OR CONDITIONAL.—The term ‘restricted or conditional’, with respect to an endowment, gift, grant, contract, award, present, or property of any kind means including as a condition on such endowment, gift, grant, contract, award, present, or property provisions regarding—
 - “(i) the employment, assignment, or termination of faculty;
 - “(ii) the establishment of departments, centers, research or lecture programs, institutes, instructional programs, or new faculty positions;
 - “(iii) the selection or admission of students; or
 - “(iv) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.”.

(f) REDESIGNATIONS.—Part D of title VI (20 U.S.C. 1132 et seq.) is amended—

(1) by redesignating such part as part C; and

(2) by redesignating sections 631, 632, 633, 634, 635, 636, and 638 as sections 621, 622, 623, 624, 625, 626, and 627, respectively.

(g) CONTINUATION AWARDS.—Part C of title VI (20 U.S.C. 1131 et seq.), as so redesignated by subsection (f)(1) of this section, is amended by adding at the end the following new sections:

“SEC. 628. CONTINUATION AWARDS.

“The Secretary shall make continuation awards under this title for the second and succeeding years of a grant only after determining that the recipient is making satisfactory progress in carrying out the stated grant objectives approved by the Secretary.

“SEC. 629. COMPLIANCE WITH DIVERSE PERSPECTIVE AND A WIDE RANGE OF VIEWS.

“When complying with the requirement of this title to offer a diverse perspective and a wide range of views, a recipient of a grant under this title shall not promote any biased views that are discriminatory toward any group, religion, or population of people.

“SEC. 630. AUTHORIZATION OF APPROPRIATIONS.

“There is authorized to be appropriated to carry out this title \$61,525,000 for each of fiscal years 2019 through 2024.”.

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

SEC. 701. GRADUATE EDUCATION PROGRAMS.

(a) REPEAL OF JACOB K. JAVITS FELLOWSHIP PROGRAM.—Subpart 1 of part A of title VII (20 U.S.C. 1134 et seq.) is repealed.

(b) REPEAL OF THURGOOD MARSHALL LEGAL EDUCATIONAL OPPORTUNITY PROGRAM.—Subpart 3 of part A of title VII (20 U.S.C. 1136) is repealed.

(c) AUTHORIZATION OF APPROPRIATIONS FOR GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED.—Section 716 (20 U.S.C. 1135e) is amended striking “\$35,000,000” and all that follows through the period at the end and inserting “\$28,047,000 for each of fiscal years 2019 through 2024.”.

(d) REDESIGNATIONS.—Part A of title VII (20 U.S.C. 1134 et seq.) is amended—

(1) by redesignating subparts 2, 4, and 5 as subparts 1, 2, and 3 respectively;

(2) by redesignating sections 711 through 716 as sections 701 through 706, respectively;

(3) by redesignating sections 723 through 725 as sections 711 through 713, respectively; and

(4) by redesignating section 731 as section 721.

(e) AMENDMENT OF CROSS REFERENCES.—Part A of title VII (20 U.S.C. 1134 et seq.) is amended—

(1) in section 703(b)(8), as so redesignated, by striking “section 715” and inserting “section 705”;

(2) in section 704(c), as so redesignated—

(A) by striking “section 715(a)” and inserting “section 705(a)”; and

(B) by striking “section 713(b)(2)” and inserting “section 703(b)(2)”;

(3) in section 711(e), as so redesignated, by striking “724” and inserting “712”;

(4) in section 712(e), as so redesignated, by striking “723” and inserting “711”;

(5) in section 713, as so redesignated—

(A) in subsection (a), by striking “section 723” and all that follows through the period at the end and inserting “section 711, \$7,500,000 for fiscal year 2019 and each of the five succeeding fiscal years.”; and

(B) in subsection (b), by striking “section 724” and inserting “section 712”;

and

(6) in section 721, as so redesignated—

(A) in the section heading, by striking “**THROUGH 4**” and inserting “**AND 2**”;

(B) by striking “subparts 1 through 4” each place such term appears and inserting “subparts 1 and 2”;

(C) in subsection (c)—

(i) by striking “section 703(b) or 715(a)” and inserting “section 705(a)”; and

(ii) by striking “subpart 1 or 2, respectively,” and inserting “subpart 1”; and

(D) in subsection (d), by striking “subpart 1, 2, 3, or 4” and inserting “subpart 1 or 2”.

SEC. 702. REPEAL OF FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

Part B of title VII (20 U.S.C. 1138 et seq.) is repealed.

SEC. 703. PROGRAMS FOR STUDENTS WITH DISABILITIES.

(a) REDESIGNATIONS.—

(1) SUBPART.—Part D of title VII (20 U.S.C. 1140 et seq.) is amended by striking subparts 1 and 3 and redesignating subparts 2 and 4 as subparts 1 and 2, respectively.

(2) PART.—Part D of title VII (20 U.S.C. 1140 et seq.), as amended by paragraph (1), is redesignated as part B of such Act.

(3) DEFINITIONS.—Section 760 (20 U.S.C. 1140) is redesignated as section 730 of such Act.

(b) MODEL TRANSITION PROGRAMS; COORDINATING CENTER.—

(1) PURPOSE.—Section 766 (20 U.S.C. 1140f) is redesignated as section 731 of such Act.

(2) MODEL COMPREHENSIVE TRANSITION AND POSTSECONDARY PROGRAMS.—Section 767 (20 U.S.C. 1140g) is amended—

(A) by redesignating such section as section 732 of such Act;

(B) in subsection (a)(1)—

(i) by striking “section 769(a)” and inserting “section 736(a)”; and

(ii) by striking “institutions of higher education (or consortia of institutions of higher education), to enable the institutions or consortia” and inserting “eligible applicants, to enable the eligible applicants”;

(C) by striking subsection (b) and inserting the following:

“(b) APPLICATION.—An eligible applicant desiring a grant under this section shall submit to the Secretary, at such time and in such manner as the Secretary may require, an application that—

“(1) describes how the model program to be operated by the eligible applicant with grant funds received under this section will meet the requirements of subsection (d);

“(2) describes how the model program proposed to be operated is based on the demonstrated needs of students with intellectual disabilities served by the eligible applicant and potential employers;

“(3) describes how the model program proposed to be operated will coordinate with other Federal, State, and local programs serving students with intellectual disabilities, including programs funded under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

“(4) describes how the model program will be sustained once the grant received under this section ends;

“(5) if applicable, describes how the eligible applicant will meet the preferences described in subsection (c)(3); and

“(6) demonstrates the ability of the eligible applicant to meet the requirement under subsection (e).”

(D) in subsection (c)(3)—

(i) in subparagraph (B), by striking “institution of higher education” and inserting “eligible applicant”; and

(ii) in subparagraph (C), by striking “students attending the institution of higher education” and inserting “the eligible applicant’s students”;

(E) in subsection (d)—

(i) in the matter preceding paragraph (1), by striking “An institution of higher education (or consortium)” and inserting “An eligible applicant”;

(ii) in paragraph (2), by striking “institution of higher education’s” and inserting “eligible applicant’s”;

(iii) in paragraph (3)(D), by striking “that lead to gainful employment”;

(iv) in paragraph (5), by striking “section 777(b)” and inserting “section 734”;

(v) in paragraph (6), by inserting “and” after the semicolon at the end;

(vi) by striking paragraph (7); and

(vii) by redesignating paragraph (8) as paragraph (7);

(F) in subsection (e), by striking “An institution of higher education (or consortium)” and inserting “An eligible applicant”;

(G) in subsection (f), by striking “Not later than five years after the date of the first grant awarded under this section” and inserting “Not less often than once every 5 years”; and

(H) by adding at the end the following new subsection:

“(g) DEFINITION.—For purposes of this subpart, the term ‘eligible applicant’ means an institution of higher education or a consortium of institutions of higher education.”

(3) REDESIGNATIONS.—Sections 768 and 769 (20 U.S.C. 1140i) are redesignated as sections 733 and 736, respectively.

(4) COORDINATING CENTER AND COMMISSION.—Subpart 1 of part D of title VII, as so redesignated by subsection (a)(1), is amended by inserting after section 733 (as so redesignated by paragraph (3)) the following:

“SEC. 734. COORDINATING CENTER.

“(a) PURPOSE.—It is the purpose of this section to provide technical assistance and information on best and promising practices to eligible applicants awarded grants under section 732.

“(b) COORDINATING CENTER.—

“(1) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term ‘eligible entity’ means an entity, or a partnership of entities, that has demonstrated expertise in the fields of—

“(A) higher education;

“(B) the education of students with intellectual disabilities;

“(C) the development of comprehensive transition and postsecondary programs for students with intellectual disabilities; and

“(D) evaluation and technical assistance.

“(2) IN GENERAL.—From amounts appropriated under section 736, the Secretary shall enter into a cooperative agreement, on a competitive basis, with an eligible entity for the purpose of establishing a coordinating center for institutions of higher education that offer inclusive comprehensive transition and postsecondary programs for students with intellectual disabilities, including eligible applicants receiving grants under section 732, to provide—

“(A) recommendations related to the development of standards for such programs;

“(B) technical assistance for such programs; and

“(C) evaluations for such programs.

“(3) ADMINISTRATION.—The program under this section shall be administered by the office in the Department that administers other postsecondary education programs.

“(4) DURATION.—A cooperative agreement entered into pursuant to this section shall have a term of 5 years.

“(5) REQUIREMENTS OF COOPERATIVE AGREEMENT.—The cooperative agreement entered into pursuant to this section shall provide that the eligible entity entering into such agreement shall establish and maintain a coordinating center that shall—

“(A) serve as the technical assistance entity for all comprehensive transition and postsecondary programs for students with intellectual disabilities;

“(B) provide technical assistance regarding the development, evaluation, and continuous improvement of such programs;

“(C) develop an evaluation protocol for such programs that includes qualitative and quantitative methodologies for measuring student outcomes and program strengths in the areas of academic enrichment, socialization, independent living, and competitive or supported employment;

“(D) assist recipients of grants under section 732 in efforts to award a meaningful credential to students with intellectual disabilities upon the completion of such programs, which credential shall take into consideration unique State factors;

“(E) develop recommendations for the necessary components of such programs, such as—

“(i) academic, vocational, social, and independent living skills;

“(ii) evaluation of student progress;

“(iii) program administration and evaluation;

“(iv) student eligibility; and

“(v) issues regarding the equivalency of a student’s participation in such programs to semester, trimester, quarter, credit, or clock hours at an institution of higher education, as the case may be;

“(F) analyze possible funding sources for such programs and provide recommendations to such programs regarding potential funding sources;

“(G) develop model memoranda of agreement for use between or among institutions of higher education and State and local agencies providing funding for such programs;

“(H) develop mechanisms for regular communication, outreach, and dissemination of information about comprehensive transition and postsecondary programs for students with intellectual disabilities under section 732 between or among such programs and to families and prospective students;

“(I) host a meeting of all recipients of grants under section 732 not less often than once every 3 years; and

“(J) convene a workgroup to develop and recommend model criteria, standards, and components of such programs as described in subparagraph (E) that are appropriate for the development of accreditation standards, which workgroup shall include—

“(i) an expert in higher education;

“(ii) an expert in special education;

“(iii) a representative of a disability organization that represents students with intellectual disabilities;

“(iv) a representative from the National Advisory Committee on Institutional Quality and Integrity; and

“(v) a representative of a regional or national accreditation agency or association.

“(6) REPORT.—Not less often than once every 5 years, the coordinating center shall report to the Secretary, the authorizing committees, and the National Advisory Committee on Institutional Quality and Integrity on the recommendations of the workgroup described in paragraph (5)(J).

“SEC. 735. ACCESSIBLE INSTRUCTIONAL MATERIALS IN HIGHER EDUCATION.

“(a) COMMISSION STRUCTURE.—

“(1) ESTABLISHMENT OF COMMISSION.—

“(A) IN GENERAL.—The Speaker of the House of Representatives, the President pro tempore of the Senate, and the Secretary of Education shall establish an independent commission, comprised of key stakeholders, to develop voluntary guidelines for accessible postsecondary electronic instructional materials and related technologies in order—

“(i) to ensure students with disabilities are afforded the same educational benefits provided to nondisabled students through the use of electronic instructional materials and related technologies;

“(ii) to inform better the selection and use of such materials and technologies at institutions of higher education; and

“(iii) to encourage entities that produce such materials and technologies to make accessible versions more readily available in the market.

In fulfilling this duty, the commission shall review applicable national and international information technology accessibility standards, which it will compile and annotate as an additional information resource for institutions of higher education and companies that service the higher education market.

“(B) MEMBERSHIP.—

“(i) STAKEHOLDER GROUPS.—The commission shall be composed of representatives from the following categories:

“(I) DISABILITY.—Communities of persons with disabilities for whom the accessibility of postsecondary electronic instructional materials and related technologies is a significant factor in ensuring equal participation in higher education, and nonprofit organizations that provide accessible electronic materials to these communities.

“(II) HIGHER EDUCATION.—Higher education leadership, which includes: university presidents, provosts, deans, vice presidents, deans of libraries, chief information officers, and other senior institutional executives.

“(III) INDUSTRY.—Relevant industry representatives, meaning—

“(aa) developers of postsecondary electronic instructional materials; and

“(bb) manufacturers of related technologies.

“(ii) APPOINTMENT OF MEMBERS.—The commission members shall be appointed as follows:

“(I) Six members, 2 from each category described in clause (i), shall be appointed by the Speaker of the House of Representatives,

3 of whom shall be appointed on the recommendation of the majority leader of the House of Representatives and 3 of whom shall be appointed on the recommendation of the minority leader of the House of Representatives, with the Speaker ensuring that 1 developer of postsecondary electronic instructional materials and 1 manufacturer of related technologies are appointed. The Speaker shall also appoint 2 additional members, 1 student with a disability and 1 faculty member from an institution of higher education.

“(II) Six members, 2 from each category described in clause (i), shall be appointed by the President pro tempore of the Senate, 3 of whom shall be appointed on the recommendation of the majority leader of the Senate and 3 of whom shall be appointed on the recommendation of the minority leader of the Senate, with the President pro tempore ensuring that 1 developer of postsecondary electronic instructional materials and 1 manufacturer of related technologies are appointed. The President pro tempore shall also appoint 2 additional members, 1 student with a disability and 1 faculty member from an institution of higher education.

“(III) Three members, each of whom must possess extensive, demonstrated technical expertise in the development and implementation of accessible postsecondary electronic instructional materials, shall be appointed by the Secretary of Education. One of these members shall represent postsecondary students with disabilities, 1 shall represent higher education leadership, and 1 shall represent developers of postsecondary electronic instructional materials.

“(iii) ELIGIBILITY TO SERVE ON THE COMMISSION.—Federal employees are ineligible for appointment to the commission. An appointee to a volunteer or advisory position with a Federal agency or related advisory body may be appointed to the commission so long as his or her primary employment is with a non-Federal entity and he or she is not otherwise engaged in financially compensated work on behalf of the Federal Government, exclusive of any standard expense reimbursement or grant-funded activities.

“(2) AUTHORITY AND ADMINISTRATION.—

“(A) AUTHORITY.—The commission’s execution of its duties shall be independent of the Secretary of Education, the Attorney General, and the head of any other agency or department of the Federal Government with regulatory or standard setting authority in the areas addressed by the commission.

“(B) ADMINISTRATION.—

“(i) STAFFING.—There shall be no permanent staffing for the commission.

“(ii) LEADERSHIP.—Commission members shall elect a chairperson from among the 19 appointees to the commission.

“(iii) ADMINISTRATIVE SUPPORT.—The Commission shall be provided administrative support, as needed, by the Secretary of Education through the Office of Postsecondary Education of the Department of Education.

“(C) TERMINATION.—The Commission shall terminate on the day after the date on which the Commission issues the voluntary guidelines and annotated list of information technology standards described in subsection (b), or two years from the date of enactment of the PROSPER Act, whichever comes first.

“(b) DUTIES OF THE COMMISSION.—

“(1) PRODUCE VOLUNTARY GUIDELINES.—Not later than 18 months after the date of enactment of the PROSPER Act, subject to a 6-month extension that it may exercise at its discretion, the commission established in subsection (a) shall—

“(A) develop and issue voluntary guidelines for accessible postsecondary electronic instructional materials and related technologies; and

“(B) in developing the voluntary guidelines, the commission shall—

“(i) establish a technical panel pursuant to paragraph (4) to support the commission in developing the voluntary guidelines;

“(ii) develop criteria for determining which materials and technologies constitute ‘postsecondary electronic instructional materials’ and ‘related technologies’ as defined in subparagraphs (D) and (E) of subsection (f);

“(iii) identify existing national and international accessibility standards that are relevant to student use of postsecondary electronic instructional materials and related technologies at institutions of higher education;

“(iv) identify and address any unique pedagogical and accessibility requirements of postsecondary electronic instructional materials and related technologies that are not addressed, or not adequately addressed, by the identified, relevant existing accessibility standards;

“(v) identify those aspects of accessibility, and types of postsecondary instructional materials and related technologies, for which the commission cannot produce guidelines or which cannot be addressed by existing accessibility standards due to—

“(I) inherent limitations of commercially available technologies;

or

“(II) the challenges posed by a specific category of disability that covers a wide spectrum of impairments and capabilities which makes it difficult to assess the benefits from particular guidelines on a categorical basis;

“(vi) ensure that the voluntary guidelines are consistent with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.);

“(vii) ensure that the voluntary guidelines are consistent, to the extent feasible and appropriate, with the technical and functional performance criteria included in the national and international accessibility standards identified by the commission as relevant to student use of postsecondary electronic instructional materials and related technologies;

“(viii) allow for the use of an alternative design or technology that results in substantially equivalent or greater accessibility and usability by individuals with disabilities than would be provided by compliance with the voluntary guidelines; and

“(ix) provide that where electronic instructional materials or related technologies that comply fully with the voluntary guidelines are not commercially available, or where such compliance is not technically feasible, the institution may select the product that best meets the voluntary guidelines consistent with the institution’s business and pedagogical needs.

“(2) PRODUCE ANNOTATED LIST OF INFORMATION TECHNOLOGY STANDARDS.—Not later than 18 months after the date of the enactment of the PROSPER Act, subject to a 6-month extension that it may exercise at its discretion, the commission established in subsection (a) shall, with the assistance of the technical panel established under paragraph (4), develop and issue an annotated list of information technology standards.

“(3) SUPERMAJORITY APPROVAL.—Issuance of the voluntary guidelines and annotated list of information technology standards shall require approval of at least 75 percent (at least 15) of the 19 members of the commission.

“(4) ESTABLISHMENT OF TECHNICAL PANEL.—Not later than 1 month after the Commission’s first meeting, it shall appoint and convene a panel of 12 technical experts, each of whom shall have extensive, demonstrated technical experience in developing, researching, or implementing accessible postsecondary electronic instructional materials or related technologies. The commission has discretion to determine a process for nominating, vetting, and confirming a panel of experts that fairly represents the stakeholder communities on the commission. The technical panel shall include a representative from the United States Access Board.

“(c) PERIODIC REVIEW AND REVISION OF VOLUNTARY GUIDELINES.—Not later than 5 years after issuance of the voluntary guidelines and annotated list of information technology standards described in paragraphs (1) and (2) of section (b), and every 5 years thereafter, the Secretary of Education shall publish a notice in the Federal Register requesting public comment about whether there is a need to reconstitute the commission to update the voluntary guidelines and annotated list of information technology standards to reflect technological advances, changes in postsecondary electronic instructional materials and related technologies, or updated national and international accessibility standards. The Secretary shall submit a report to Congress summarizing the public comments and presenting the Secretary’s decision on whether to reconstitute the commission based on those comments. If the Secretary decides to reconstitute the commission, the Secretary may implement that decision 30 days after the date on which the report was submitted to Congress. That process

shall begin with the Secretary requesting the appointment of commission members as detailed in subsection (a)(1)(B)(ii). If the Secretary reconstitutes the Commission, the Commission shall terminate on the day after the date on which the Commission issues updated voluntary guidelines and annotated list of information technology standards, or two years from the date on which the Secretary reconstitutes the Commission, whichever comes first.

“(d) SAFE HARBOR PROTECTIONS.—The following defenses from liability may be asserted with respect to claims regarding the use of postsecondary instructional materials and related technologies arising under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq. and 12181 et seq.), subject to the judicial review afforded under those Acts and without limiting any other defenses provided under those Acts:

“(1) SAFE HARBOR FOR CONFORMING POSTSECONDARY ELECTRONIC INSTRUCTIONAL MATERIALS AND RELATED TECHNOLOGIES.—An institution of higher education that requires, provides, or both recommends and provides, postsecondary electronic instructional materials or related technologies that conform to the voluntary guidelines shall be deemed in compliance with, and qualify for a safe harbor from liability in relation to, its obligations under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.) with respect to its selection of such materials or technologies.

“(2) LIMITED SAFE HARBOR FOR NONCONFORMING POSTSECONDARY ELECTRONIC INSTRUCTIONAL MATERIALS OR RELATED TECHNOLOGIES.—An institution of higher education that requires, provides, or both recommends and provides, postsecondary electronic instructional materials or related technologies that do not fully conform with the voluntary guidelines, but which institution otherwise complies with all requirements set forth in subparagraphs (A), (B), and (C), will qualify for a limited safe harbor from monetary damages under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.), with available remedies under section 505 of the Rehabilitation Act of 1973 (29 U.S.C. 794a), section 103 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12133), and section 308 of such Act (42 U.S.C. 12188) limited to declaratory and injunctive relief, and for a prevailing party other than the United States, a reasonable attorney’s fee, if the institution—

“(A) documented its efforts to incorporate and use the voluntary guidelines in its policies and practices regarding its selection or procurement of postsecondary electronic instructional materials and related technologies. These efforts may include establishment of a written policy regarding the institution’s use of the voluntary guidelines, identifying the official(s) authorized to approve the selection of nonconforming postsecondary electronic instructional materials or related technologies, and procedures used by the official(s) when making such authorizations;

“(B) documented instances where nonconforming postsecondary electronic instructional materials or related technologies are selected or procured, including an explanation of—

“(i) the process utilized for identifying accessible options in the marketplace;

“(ii) the options considered, if any are available;

“(iii) the choice the institution ultimately made and why;

“(iv) what auxiliary aid or service, reasonable modification, or other method the institution will utilize to ensure that affected students within categories of disability are afforded the rights to which they are entitled under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.), including an equally effective opportunity to receive the same educational benefit as afforded to nondisabled students; and

“(v) where a student or students with disabilities are affected by nonconforming instructional materials or related technologies, what auxiliary aid or service, reasonable modification, or other method the institution is using to ensure the student or students are afforded the rights described in clause (iv); and

“(C) posted a link to an accessible copy of the voluntary guidelines and annotated list of information technology standards on a publicly available page of its website.

“(e) CONSTRUCTION.—

“(1) NONCONFORMING POSTSECONDARY ELECTRONIC INSTRUCTIONAL MATERIALS OR RELATED TECHNOLOGIES.—Nothing in this section shall be construed to require an institution of higher education to require, provide, or both recommend and provide, postsecondary electronic instructional materials or related technologies that conform to the voluntary guidelines. However, an institution that selects or uses nonconforming postsecondary electronic instructional materials or related technologies must otherwise comply with existing obligations under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.) to provide access to the educational benefit afforded by such materials and technologies through provision of appropriate and reasonable modification, accommodation, and auxiliary aids or services.

“(2) RELATIONSHIP TO EXISTING LAWS AND REGULATIONS.—With respect to the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), except as provided in subsection (d), nothing in this section may be construed—

“(A) to authorize or require conduct prohibited under the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973, including the regulations issued pursuant to those laws;

“(B) to expand, limit, or alter the remedies or defenses under the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973;

“(C) to supersede, restrict, or limit the application of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973; or

“(D) to limit the authority of Federal agencies to issue regulations pursuant to the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973.

“(3) VOLUNTARY NATURE OF THE PRODUCTS OF THE COMMISSION.—

“(A) VOLUNTARY GUIDELINES.—It is the intent of the Congress that use of the voluntary guidelines developed pursuant to this section is and should remain voluntary. The voluntary guidelines shall not confer any rights or impose any obligations on commission participants, institutions of higher education, or other persons, except for the legal protections set forth in subsection (d). Thus, no department or agency of the Federal Government may incorporate the voluntary guidelines, whether produced as a discrete document or electronic resource, into regulations promulgated under the Rehabilitation Act, the Americans with Disabilities Act, or any other Federal law or instrument. This restriction applies only to the voluntary guidelines as a discrete document or resource; it imposes no limitation on Federal use of standards or resources to which the voluntary guidelines may refer.

“(B) ANNOTATED LIST.—It is the intent of Congress that use of the annotated list of information technology standards developed pursuant to this section is and should remain voluntary. The Annotated List shall not confer any rights or impose any obligations on Commission participants, institutions of higher education, or other persons. Thus, no department or agency of the Federal Government may incorporate the Annotated List, whether produced as a discrete document or electronic resource into regulations promulgated under the Rehabilitation Act, the Americans with Disabilities Act, or any other Federal law or instrument. This provision applies only to the Annotated List as a discrete document or resource; it imposes no limitation on Federal use of standards or resources to which the Annotated List may refer.

“(f) DEFINITIONS.—In this section, the following definitions apply:

“(1) ANNOTATED LIST OF INFORMATION TECHNOLOGY STANDARDS.—The term ‘annotated list of information technology standards’ means a list of existing national and international accessibility standards relevant to student use of postsecondary electronic instructional materials and related technologies, and to other types of information technology common to institutions of higher education (such as institutional websites and class registration systems), annotated by the commission established pursuant to subsection (a) to provide information about the applicability of such standards in higher education settings. The annotated list of information technology standards is intended to serve solely as a reference tool to inform any consideration of the relevance of such standards in higher education contexts.

“(2) DISABILITY.—The term ‘disability’ has the meaning given such term in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102).

“(3) NONCONFORMING POSTSECONDARY ELECTRONIC INSTRUCTIONAL MATERIALS OR RELATED TECHNOLOGIES.—The term ‘nonconforming materials or related technologies’ means postsecondary electronic instructional materials or related

technologies that do not conform to the voluntary guidelines to be developed pursuant to this subpart.

“(4) POSTSECONDARY ELECTRONIC INSTRUCTIONAL MATERIALS.—The term ‘postsecondary electronic instructional materials’ means digital curricular content that is required, provided, or both recommended and provided by an institution of higher education for use in a postsecondary instructional program.

“(5) RELATED TECHNOLOGIES.—The term ‘related technologies’ refers to any software, applications, learning management or content management systems, and hardware that an institution of higher education requires, provides, or both recommends and provides for student access to and use of postsecondary electronic instructional materials in a postsecondary instructional program.

“(6) TECHNICAL PANEL.—The term ‘technical panel’ means a group of experts with extensive, demonstrated technical experience in the development and implementation of accessibility features for postsecondary electronic instructional materials and related technologies, established by the Commission pursuant to subsection (b)(4), which will assist the commission in the development of the voluntary guidelines and annotated list of information technology standards authorized under this subpart.

“(7) VOLUNTARY GUIDELINES.—The term ‘voluntary guidelines’ means a set of technical and functional performance criteria to be developed by the commission established pursuant to subsection (a) that provide specific guidance regarding both the accessibility and pedagogical functionality of postsecondary electronic instructional materials and related technologies not addressed, or not adequately addressed, by existing accessibility standards.”

(5) AUTHORIZATION OF APPROPRIATIONS.—Section 736, as so redesignated by paragraph (3), is amended—

(A) in subsection (a), by striking “such sums as may be necessary for fiscal year 2009” and inserting “\$11,800,000 for fiscal year 2019”; and

(B) by striking subsection (b) and inserting the following:

“(b) RESERVATION OF FUNDS.—For any fiscal year for which appropriations are made for this subpart, the Secretary—

“(1) shall reserve funds to enter into a cooperative agreement to establish the coordinating center under section 734, in an amount that is equal to—

“(A) not less than \$240,000 for any year in which the amount appropriated to carry out this subpart is \$8,000,000 or less; or

“(B) equal to 3 percent of the amount appropriated to carry out this subpart for any year in which such amount appropriated is greater than \$8,000,000; and

“(2) may reserve funds to award the grant, contract, or cooperative agreement described in section 742.”

(c) NATIONAL TECHNICAL ASSISTANCE CENTER.—

(1) SUBPART HEADING.—The subpart heading for subpart 2 of part B of title VII (20 U.S.C. 1140p et seq.), as redesignated by subsection (a), is amended by striking “; **Coordinating Center**”.

(2) PURPOSE.—Section 776 (20 U.S.C. 1140p) is amended—

(A) by redesignating such section as section 741 of such Act; and

(B) by striking “grants, contracts, or cooperative agreements under subpart 1, 2, or 3” and inserting “grants or a cooperative agreement under subpart 1”.

(3) NATIONAL TECHNICAL ASSISTANCE.—Section 777 (20 U.S.C. 1140q) is amended—

(A) by redesignating such section as section 742 of such Act;

(B) in the section heading, by striking “; **COORDINATING CENTER**”;

(C) in subsection (a)(1), by striking “appropriated under section 778” and inserting “reserved under section 736(b)(2)”;

(D) by amending subsection (a)(3)(D) to read as follows:

“(D) the subject supported by the grants or cooperative agreement authorized in subpart 1.”;

(E) in subsection (a)(4)(A)(ii), by striking “subparts 2, 4, and 5” and inserting “subparts 2 and 5”; and

(F) in subsection (a)(4)(B), by striking “grants, contracts, or cooperative agreements authorized under subparts 1, 2, and 3” each place it appears and inserting “grants and cooperative agreement authorized under subpart 1”.

(4) AUTHORIZATION OF APPROPRIATIONS.—Section 778 (20 U.S.C. 1140r) is repealed.

SEC. 704. REPEAL OF COLLEGE ACCESS CHALLENGE GRANT PROGRAM.

Part E of title VII (20 U.S.C. 1141) is repealed.

TITLE VIII—OTHER REPEALS

SEC. 801. REPEAL OF ADDITIONAL PROGRAMS.

(a) HIGHER EDUCATION ACT OF 1965.—Title VIII of the Higher Education Act of 1965 (20 U.S.C. 1161a et seq.) is repealed.

(b) HIGHER EDUCATION OPPORTUNITY ACT.—The Higher Education Opportunity Act (Public Law 110–315; 122 Stat. 3078 et seq.) is amended by repealing sections 802 and 803.

(c) HIGHER EDUCATION AMENDMENTS OF 1998.—The Higher Education Amendments of 1998 (Public Law 105–244; 112 Stat. 1581 et seq.) is amended by repealing parts D and H of title VIII.

(d) HIGHER EDUCATION AMENDMENTS OF 1992.—The Higher Education Amendments of 1992 (Public Law 102–325; 106 Stat. 448 et seq.) is amended by repealing part E of title XV.

TITLE IX—AMENDMENTS TO OTHER LAWS

PART A—EDUCATION OF THE DEAF ACT OF 1986

SEC. 901. EDUCATION OF THE DEAF ACT OF 1986.

(a) BOARD OF TRUSTEES.—Section 103(a)(1) of the Education of the Deaf Act of 1986 (20 U.S.C. 4303(a)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking “twenty-one” and inserting “twenty-three”;

(2) in subparagraph (A)—

(A) by striking “three public” and inserting “four public”;

(B) by striking “one shall” and all that follows through “, and” and inserting “two shall be United States Senators, of whom one shall be appointed by the Majority Leader of the Senate and one shall be appointed by the Minority Leader of the Senate, and”;

(C) by striking “appointed by the Speaker of the House of Representatives” and inserting “, of whom one shall be appointed by the Speaker of the House of Representatives and one shall be appointed by the Minority Leader of the House of Representatives”;

(3) in subparagraph (B), by striking “eighteen” and inserting “nineteen”.

(b) LAURENT CLERC NATIONAL DEAF EDUCATION CENTER.—Section 104(b)(5) of the Education of the Deaf Act of 1986 (20 U.S.C. 4304(b)(5)) is amended to read as follows:

“(5) The University, for purposes of the elementary and secondary education programs carried out by the Clerc Center, shall—

“(A)(i)(I) provide an assurance to the Secretary that it has adopted and is implementing challenging State academic standards that meet the requirements of section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(1));

“(II) demonstrate to the Secretary that the University is implementing a set of high-quality student academic assessments in mathematics, reading or language arts, and science, and any other subjects chosen by the University, that meet the requirements of section 1111(b)(2) of such Act (20 U.S.C. 6311(b)(2)); and

“(III) demonstrate to the Secretary that the University is implementing an accountability system consistent with section 1111(c) of such Act (20 U.S.C. 6311(c)); or

“(ii)(I) select the challenging State academic standards and State academic assessments of a State, adopted and implemented, as appropriate, pursuant to paragraphs (1) and (2) of section 1111(b) of such Act (20 U.S.C. 6311(b)); and

“(II) adopt the accountability system, consistent with section 1111(c) of such Act (20 U.S.C. 6311(c)), of such State; and

“(B) publicly report, except in a case in which such reporting would not yield statistically reliable information or would reveal personally identifiable information about an individual student—

“(i) the results of the academic assessments implemented under subparagraph (A); and

“(ii) the results of the annual evaluation of the programs at the Clerc Center, as determined using the accountability system adopted under subparagraph (A).”.

(c) REPEAL OF CULTURAL EXPERIENCES GRANTS PROGRAM.—Part C of title I of the Education of the Deaf Act of 1986 (20 U.S.C. 4341) is repealed.

(d) REPEAL OF AUTHORIZATION OF APPROPRIATIONS FOR MONITORING AND EVALUATION.—Subsection (c) of section 205 of the Education of the Deaf Act of 1986 (20 U.S.C. 4355(c)) is repealed.

(e) FEDERAL ENDOWMENT FUNDS.—Section 207 of the Education of the Deaf Act of 1986 (20 U.S.C. 4357) is amended—

(1) in the heading of subsection (b), by striking “FEDERAL PAYMENTS” and inserting “PAYMENTS”;

(2) in subsection (b), by striking paragraphs (1) and (2) and inserting the following:

“(1) From amounts provided by the Secretary from funds appropriated under subsections (a) and (b) of section 212, respectively, the University and NTID may make payments, in accordance with this section, to the Federal endowment fund of the institution involved.

“(2) Subject to paragraph (3), in any fiscal year, the total amount of payments made under paragraph (1) to the Federal endowment fund may not exceed the total amount contributed to the fund from non-Federal sources during such fiscal year.

“(3) For purposes of paragraph (2), the transfer of funds by an institution involved to the Federal endowment fund from another endowment fund of such institution shall not be considered a contribution from a non-Federal source.”;

(3) in subsection (e), by striking “Federal payment” and inserting “payment under subsection (b)”;

(4) in subsection (f), in the matter preceding paragraph (1), by striking “Federal payments” and inserting “payments”;

(5) in subsection (g)(1), by striking “Federal payments to such fund” and inserting “payments made under subsection (b)”;

(6) by repealing subsection (h); and

(7) by redesignating subsection (i) as subsection (h).

(f) REPEAL OF NATIONAL STUDY.—Section 211 of the Education of the Deaf Act of 1986 (20 U.S.C. 4360) is repealed.

(g) AUTHORIZATION OF APPROPRIATIONS.—Section 212 of the Education of the Deaf Act of 1986 (20 U.S.C. 4360a) is amended—

(1) in subsection (a), by striking “such sums as may be necessary for each of the fiscal years 2009 through 2014” and inserting “\$121,275,000 for each of the fiscal years 2019 through 2024”; and

(2) in subsection (b), by striking “such sums as may be necessary for each of the fiscal years 2009 through 2014” and inserting “\$70,016,000 for each of the fiscal years 2019 through 2024”.

(h) TECHNICAL AMENDMENTS.—The Education of the Deaf Act of 1986 is further amended—

(1) in section 112(b)(3) (20 U.S.C. 4332(b)(3)), by striking “Education and Labor” and inserting “Education and the Workforce”;

(2) in section 203 (20 U.S.C. 4353)—

(A) in the heading of subsection (a), by striking “GENERAL ACCOUNTING” and inserting “GOVERNMENT ACCOUNTABILITY”;

(B) in subsection (a), by striking “General Accounting” and inserting “Government Accountability”;

(C) in subsection (b)(3), by striking “Education and Labor” and inserting “Education and the Workforce”; and

(D) in subsection (c)(2)(A), by striking “Education and Labor” and inserting “Education and the Workforce”;

(3) in section 204 (20 U.S.C. 4354), by striking “Education and Labor” and inserting “Education and the Workforce”;

(4) in section 208(a) (20 U.S.C. 4359(a)), by striking “Education and Labor” and inserting “Education and the Workforce”; and

(5) in section 210(b) (20 U.S.C. 4359b(b)), by striking “Education and Labor” and inserting “Education and the Workforce”.

PART B—TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES ASSISTANCE ACT OF 1978; DINE’ COLLEGE ACT

SEC. 911. TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES ASSISTANCE ACT OF 1978.

(a) DEFINITIONS.—Section 2 of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801) is amended—

(1) in subsection (a)—

- (A) in paragraph (7), by adding “and” at the end;
- (B) in paragraph (8), by striking “; and” and inserting a period; and
- (C) by striking paragraph (9); and
- (2) in subsection (b)—
 - (A) by amending paragraph (1) to read as follows:
 - “(1) Such number shall be calculated based on the number of Indian students who are enrolled—
 - “(A) at the conclusion of the third week of each academic term; or
 - “(B) on the fifth day of a shortened program beginning after the conclusion of the third full week of an academic term.”;
 - (B) in paragraph (3), by striking “for purposes of obtaining” and inserting “solely for the purpose of obtaining”; and
 - (C) by inserting after paragraph (5), the following:
 - “(6) Enrollment data from the prior-prior academic year shall be used.”.
- (b) AUTHORIZATION OF APPROPRIATIONS.—The Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801 et seq.) is amended by inserting after section 2 (25 U.S.C. 1801), the following:

“SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

 - “(a) TITLES I AND IV.—There are authorized to be appropriated \$57,412,000 for each of fiscal years 2019 through 2024 to carry out titles I and IV.
 - “(b) TITLE V.—There are authorized to be appropriated \$7,414,000 for each of fiscal years 2019 through 2024 to carry out title V.”.
 - (c) REPEAL OF PLANNING GRANTS.—Section 104 of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1804a) is repealed.
 - (d) GRANTS TO TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.—Section 107 of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1807) is amended—
 - (1) by striking subsection (c); and
 - (2) by redesignating subsection (d) as subsection (c).
 - (e) AMOUNT OF GRANTS.—Section 108(b)(1) of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1808(b)(1)) is amended—
 - (1) by striking “of the funds available for allotment by October 15 or no later than 14 days after appropriations become available” and inserting “ of the amounts appropriated for any fiscal year on or before July 1 of that fiscal year”; and
 - (2) by striking “January 1” and inserting “September 30”;
 - (f) AUTHORIZATION OF APPROPRIATIONS.—Section 110(a) of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1810(a)) is amended—
 - (1) in paragraph (1)—
 - (A) by striking “\$3,200,000 for fiscal year 2009 and”;
 - (B) by striking “for each of the five succeeding fiscal years”; and
 - (C) by inserting “from the amount made available under section 3(a) for each fiscal year” after “necessary”;
 - (2) in paragraph (2), by striking “for fiscal year 2009” and all that follows through the period at the end and inserting “from the amount made available under section 3(a) for each fiscal year.”;
 - (3) in paragraph (3), by striking “for fiscal year 2009” and all that follows through the period at the end and inserting “from the amount made available under section 3(a) for each fiscal year.”; and
 - (4) in paragraph (4), by striking “2009” and inserting “2019”.
 - (g) RULES AND REGULATIONS.—The Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801 et seq.) is amended by striking section 115 (25 U.S.C. 1815).
 - (h) REPEAL OF ENDOWMENT PROGRAM.—
 - (1) REPEAL.—Title III of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1831 et seq.) is repealed.
 - (2) TRANSITION.—
 - (A) IN GENERAL.—Subject to subparagraph (B), title III of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1831 et seq.), as such title was in effect on the day before the date of the enactment of this Act, shall apply with respect to any endowment fund established or funded under such title before such date of enactment, except that the Secretary of the Interior may not make any grants or Federal capital contributions under such title after such date.
 - (B) TERMINATION.—Subparagraph (A) shall terminate on the date that is 20 years after the date of the enactment of this Act. On or after such date, a tribally controlled college or university may use the corpus (including the Federal and institutional capital contribution) of any endowment fund de-

scribed in such subparagraph to pay any expenses relating to the operation or academic programs of such college or university.

(i) **TRIBAL ECONOMIC DEVELOPMENT; AUTHORIZATION OF APPROPRIATIONS.**—Section 403 of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1852) is amended by striking “for fiscal year 2009” and all that follows through the period at the end and inserting “from the amount made available under section 3(a) for each fiscal year.”

(j) **TRIBALLY CONTROLLED POSTSECONDARY CAREER AND TECHNICAL INSTITUTIONS.**—Section 504 of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1864) is amended by striking “for fiscal year 2009” and all that follows through the period at the end and inserting “from the amount made available under section 3(b) for each fiscal year.”

(k) **CLERICAL AMENDMENTS.**—The Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801 et seq.), as amended by subsections (a) through (j), is further amended—

(1) by striking “Bureau of Indian Affairs” each place it appears and inserting “Bureau of Indian Education”;

(2) by striking “Navajo Community College Act” each place it appears and inserting “Dine’ College Act”;

(3) by striking “colleges or universities” each place it appears, including in headings, and inserting “colleges and universities”; and

(4) in section 109 (25 U.S.C. 1809), by redesignating the second subsection (c) as subsection (d).

SEC. 912. DINE’ COLLEGE ACT.

(a) **SHORT TITLE.**—The first section of Public Law 92–189 is amended by striking “this Act may be cited as the ‘Navajo Community College Act’” and inserting “this Act may be cited as the ‘Dine’ College Act’”.

(b) **REFERENCES.**—Any reference to the Navajo Community College Act in any law (other than this Act), regulation, map, document, record, or other paper of the United States shall be deemed to be a reference to the Dine’ College Act.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—Section 5 of Public Law 92–189 is amended—

(1) in subsection (a)(1), by striking “for fiscal years 2009 through 2014” and inserting “from the amount made available under subsection (b)(1) for each fiscal year”; and

(2) in subsection (b)(1), by striking “such sums as are necessary for fiscal years 2009 through 2014” and inserting “\$13,600,000 for each of fiscal years 2019 through 2024”.

PART C—GENERAL EDUCATION PROVISIONS ACT

SEC. 921. RELEASE OF EDUCATION RECORDS TO FACILITATE THE AWARD OF A RECOGNIZED POSTSECONDARY CREDENTIAL.

Section 444(b) of the General Education Provisions Act (20 U.S.C. 1232g(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (K)(ii), by striking “; and” and inserting a semicolon; and

(B) in subparagraph (L), by striking the period at the end and inserting “; and”; and

(2) by inserting after subparagraph (L) the following:

“(M) an institution of postsecondary education in which the student was previously enrolled, to which records of postsecondary coursework and credits are sent for the purpose of applying such coursework and credits toward completion of a recognized postsecondary credential (as that term is defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102)), upon condition that the student provides written consent prior to receiving such credential.”

PURPOSE

H.R. 4508, the *Promoting Real Opportunity, Success, and Prosperity through Education Reform Act* (PROSPER Act), amends the *Higher Education Act of 1965* to support students in completing an affordable postsecondary education that will prepare them to enter the workforce with the skills they need for lifelong success. The

PROSPER Act will reform the postsecondary education system by promoting innovation, access, and completion; simplifying and improving student aid; empowering students and families to make informed decisions; and ensuring strong accountability and a limited federal role.

COMMITTEE ACTION

112TH CONGRESS

First Session—Hearings

On March 1, 2011, the Committee on Education and the Workforce (Committee) held a hearing in Washington, D.C., on “Education Regulations: Weighing the Burden on Schools and Students.” The hearing was the first in a series examining the burden of federal, state, and local regulations on the nation’s education system. The purpose of the hearing was to uncover the damaging effects of federal regulations on schools and institutions. These rules increasingly stifle growth and innovation, raise operating costs, and limit student access to affordable colleges and universities throughout the nation. Testifying before the Committee were Dr. Edgar Hatrick, Superintendent, Loudon County Public Schools, Ashburn, Virginia; Ms. Kati Haycock, President, The Education Trust, Washington, D.C.; Mr. Gene Wilhoit, Executive Director, Council of Chief State School Officers, Washington, D.C.; and Mr. Christopher B. Nelson, President, St. John’s College, Annapolis, Maryland.

On March 11, 2011, the Committee’s Subcommittee on Higher Education and Workforce Training (HEWT) held a hearing in Washington, D.C., on “Education Regulations: Federal Overreach into Academic Affairs.” The purpose of the hearing was to discuss the most egregious and intrusive provisions in the program integrity regulations issued by the U.S. Department of Education (the Department) and to uncover the unintended consequences of the regulations to states and institutions of higher education. The state authorization and credit hour regulations were specifically discussed. Testifying before the Subcommittee were Mr. John Ebersole, President, Excelsior College, Albany, New York; Dr. G. Blair Dowden, President, Huntington University, Huntington, Indiana; the Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; and Mr. Ralph Wolff, President, Western Association of Schools and Colleges, Alameda, California.

On March 17, 2011, the Committee held a hearing in Washington, D.C., on “Education Regulations: Roadblocks to Student Choice in Higher Education.” The purpose of the hearing was to explore the harmful consequences of the gainful employment regulation issued by the Department. Testifying before the Committee were Ms. Catherine Barreto, graduate, Monroe College, and Senior Sales Associate, Doubletree Hotels, Brooklyn, New York; Mr. Travis Jennings, Electrical Supervisor of the Manufacturing Launch Systems Group, Orbital Sciences Corporation, Chandler, Arizona; Dr. Arnold Mitchem, President, Council for Opportunity in Education, Washington, D.C.; and Ms. Jeanne Herrmann, Chief Operating Officer, Globe University/Minnesota School of Business, Woodbury, Minnesota.

On March 21, 2011, the Committee held a field hearing in Wilkes-Barre, Pennsylvania, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Mr. James Perry, President, Hazelton City Council, Hazelton, Pennsylvania; Mr. Jeffrey Alesson, Vice President of Strategic Planning and Quality Assurance, Diamond Manufacturing, Exeter, Pennsylvania; Dr. Reynold Verret, Provost, Wilkes University, Wilkes-Barre, Pennsylvania; Mr. Raymond Angeli, President, Lackawanna College, Scranton, Pennsylvania; Ms. Joan Seaman, Executive Director, Empire Beauty School, Moosic, Pennsylvania; and Mr. Thomas P. Leary, President, Luzerne County Community College, Nanticoke, Pennsylvania.

On March 22, 2011, the Committee held a field hearing in Utica, New York, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Mr. Anthony J. Picente, Jr., County Executive, Oneida County, Utica, New York; Mr. Dave Mathis, Director, Oneida County Workforce Development, Utica, New York; Dr. John Bay, Vice President and Chief Scientist, Assured Information Security, Inc., Rome, New York; Dr. Bjong Wolf Yeigh, President, State University of New York Institute of Technology, Utica, New York; Dr. Ann Marie Murray, President, Herkimer County Community College, Herkimer, New York; Dr. Judith Kirkpatrick, Provost, Utica College, Utica, New York; and Mr. Phil Williams, President, Utica School of Commerce, The Business College, Utica, New York.

On April 21, 2011, the Committee held a field hearing in Columbia, Tennessee, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight the work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Dr. Janet Smith, President, Columbia State Community College, Columbia, Tennessee; Dr. Ted Brown, President, Martin-Methodist College, Pulaski, Tennessee; Mr. Jim Coakley, President, Nashville Auto-Diesel College, Nashville, Tennessee; the Honorable Dean Dickey, Mayor, City of Columbia, Columbia, Tennessee; Ms. Susan Marlow, President and Chief Executive Officer, Smart Data Strategies, Franklin, Tennessee; Ms. Jan McKeel, Executive Director, South Central Tennessee Workforce Board, Columbia, Tennessee; and Ms. Margaret Prater, Executive Director, Northwest Tennessee Workforce Board, Dyersburg, Tennessee.

On July 8, 2011, the HEWT Subcommittee, together with the Committee on Oversight and Government Reform Subcommittee on Regulatory Affairs, Stimulus Oversight, and Government Spending, held a hearing in Washington, D.C., on “The Gainful Employment Regulation: Limiting Job Growth and Student Choice.” The purpose of the hearing was to explore the harmful consequences of the gainful employment regulation issued by the Department. Testifying before the Subcommittees were Dr. Dario A. Cortes, President, Berkeley College, New York City, New York; Dr. Anthony P. Carnevale, Director, Georgetown University Center on Education and the Workforce, Washington, D.C.; Ms. Karla Carpenter, grad-

uate, Herzing University and Program Manager, Quest Software, Madison, Wisconsin; and Mr. Harry C. Alford, President and Chief Executive Officer, National Black Chamber of Commerce, Washington, D.C.

On August 16, 2011, the HEWT Subcommittee held a field hearing in Greenville, South Carolina, on “Reviving Our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight the work by local colleges and universities to respond to local and state economic needs. Testifying before the Subcommittee were the Honorable Knox White, Mayor, City of Greenville, Greenville, South Carolina; Mr. Werner Eikenbusch, Section Manager, Associate Development and Training, BMW Manufacturing Co., Spartanburg, South Carolina; Ms. Laura Harmon, Project Director, Greenville Works, Greenville, South Carolina; Dr. Brenda Thames, Vice President of Academic Development, Greenville Health System, Greenville, South Carolina; Mr. James F. Barker, President, Clemson University, Clemson, South Carolina; Dr. Thomas F. Moore, Chancellor, University of South Carolina Upstate, Spartanburg, South Carolina; Dr. Keith Miller, President, Greenville Technical College, Greenville, South Carolina; and Ms. Amy Hickman, Campus President, ECPI College of Technology, Greenville, South Carolina.

On October 25, 2011, the HEWT Subcommittee held a hearing in Washington, D.C., on “Government-Run Student Loans: Ensuring the Direct Loan Program is Accountable to Students and Taxpayers.” The purpose of the hearing was to examine the switch to and implementation of the Direct Loan program. Testifying before the Subcommittee were Mr. James W. Runcie, Chief Operating Officer, Office of Federal Student Aid, U.S. Department of Education, Washington, D.C.; Mr. Ron H. Day, Director of Financial Aid, Kennesaw State University, Kennesaw, Georgia; Ms. Nancy Hoover, Director of Financial Aid, Denison University, Granville, Ohio; and Mr. Mark A. Bandré, Vice President for Enrollment Management and Student Affairs, Baker University, Baldwin City, Kansas.

On November 30, 2011, the HEWT Subcommittee held a hearing in Washington, D.C., on “Keeping College Within Reach: Discussing Ways Institutions Can Streamline Costs and Reduce Tuition.” The purpose of the hearing was to highlight innovative practices institutions of higher education were implementing to reduce their costs and to limit tuition increases for students. Testifying before the Subcommittee were Ms. Jane V. Wellman, Executive Director, Delta Project on Postsecondary Costs, Productivity, and Accountability, Washington, D.C.; Dr. Ronald E. Manahan, President, Grace College and Seminary, Winona Lake, Indiana; Mr. Jamie P. Merisotis, President and Chief Executive Officer, Lumina Foundation for Education, Indianapolis, Indiana; and Mr. Tim Foster, President, Colorado Mesa University, Grand Junction, Colorado.

Second Session—Hearings

On July 18, 2012, the HEWT Subcommittee held a hearing in Washington, D.C., on “Keeping College Within Reach: Exploring State Efforts to Curb Costs.” The purpose of the hearing was to highlight innovative practices at the state level to assist postsecondary institutions in keeping costs affordable and to promote accountability of public funds. Testifying before the Subcommittee

were Mr. Scott Pattison, Executive Director, National Association of State Budget Officers, Washington, D.C.; Ms. Teresa Lubbers, Commissioner for Higher Education, State of Indiana, Indianapolis, Indiana; Mr. Stan Jones, President, Complete College America, Zionsville, Indiana; and Dr. Joe May, President, Louisiana Community and Technical College System, Baton Rouge, Louisiana.

On September 20, 2012, the Committee's HEWT Subcommittee held a hearing in Washington, D.C., on "Assessing College Data: Helping to Provide Valuable Information to Students, Institutions, and Taxpayers." The purpose of the hearing was to examine data collected by the federal government from institutions of higher education, including data requirements established during the last reauthorization of the Higher Education Act (HEA) in 2008, (Higher Education Opportunity Act). Testifying before the Subcommittee were Dr. Mark Schneider, Vice President, American Institutes for Research, Washington, D.C.; Dr. James Hallmark, Vice Chancellor for Academic Affairs, Texas A&M System, College Station, Texas; Dr. José Cruz, Vice President for Higher Education Policy and Practice, The Education Trust, Washington, D.C.; and Dr. Tracy Fitzsimmons, President, Shenandoah University, Winchester, Virginia.

Legislative action

On February 17, 2011, the House of Representatives considered an amendment offered by then-Chairman John Kline (R-MN); then-HEWT Subcommittee Chairwoman Virginia Foxx (R-NC); and Rep. Alcee Hastings (D-FL) to H.R. 1, the *Disaster Relief Appropriations Act of 2013*. The amendment prohibited the use of funds by the Department to implement and enforce the gainful employment regulation. The amendment was agreed to by a bipartisan vote of 289 to 136. On February 19, 2011, the House of Representatives passed H.R. 1 by a vote of 235 to 189. This bill was not signed into law.

On June 3, 2011, then-HEWT Subcommittee Chairwoman Foxx and then-Chairman Kline introduced H.R. 2117, the *Protecting Academic Freedom in Higher Education Act*. On July 22, 2011, the Committee considered H.R. 2117 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 27 to 11. On February 28, 2012, the House of Representatives passed H.R. 2117 by a bipartisan vote of 303 to 114. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions where no further action was taken. The concept of this bill is included in H.R. 4508.

113TH CONGRESS

First Session—Hearings

On March 13, 2013, the Committee held a hearing in Washington, D.C., on "Keeping College Within Reach: Examining Opportunities to Strengthen Federal Student Loan Programs." The purpose of the hearing was to examine ways to strengthen federal student loans, as well as how moving to a market-based or variable interest rate on all federal student loans could benefit both students and taxpayers. Testifying before the Committee were Dr. Deborah J. Lucas, Sloan Distinguished Professor of Finance, Mas-

sachusetts Institute of Technology, Cambridge, Massachusetts; Mr. Jason Delisle, Director, Federal Education Budget Project, The New America Foundation, Washington, D.C.; Mr. Justin Draeger, President and Chief Executive Officer, National Association of Student Financial Aid Administrators, Washington, D.C.; and Dr. Charmaine Mercer, Vice President of Policy, Alliance for Excellent Education, Washington, D.C.

On April 9, 2013, the HEWT Subcommittee held a field hearing in Monroe, Michigan, on “Reviving Our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work being done by local colleges and universities to respond to local and state economic needs. Testifying before the Subcommittee were Mr. Henry Lievens, Commissioner, Monroe County, Monroe, Michigan; Ms. Lynette Dowler, Plant Director, Fossil Generation, DTE Energy, Detroit, Michigan; Ms. Susan Smith, Executive Director, Economic Development Partnership of Hillsdale County, Jonesville, Michigan; Mr. Dan Fairbanks, United Auto Workers International Representative, UAW–GM Skill Development and Training Department, Detroit, Michigan; Dr. David E. Nixon, President, Monroe County Community College, Monroe, Michigan; Sister Peg Albert, OP, Ph.D., President, Siena Heights University, Adrian, Michigan; Dr. Michelle Shields, Career Coach and Workforce Development Director, Jackson Community College, Jackson, Michigan; and Mr. Douglas A. Levy, Director of Financial Aid, Macomb Community College, Warren, Michigan.

On April 16, 2013, the HEWT Subcommittee held a hearing in Washington, D.C., on “Keeping College Within Reach: The Role of Federal Student Aid Programs.” The purpose of the hearing was to examine shifting the focus of federal student aid programs from enhancing access to improving student outcomes. Testifying before the Subcommittee were Mr. Terry W. Hartle, Senior Vice President, Division of Government and Public Affairs, American Council on Education, Washington, D.C.; Ms. Moriah Miles, State Chair, Minnesota State University Student Association, Mankato, Minnesota; Ms. Patricia McGuire, President, Trinity Washington University, Washington, D.C.; and Mr. Dan Madzelan, former employee (Retired), U.S. Department of Education, University Park, Maryland.

On April 24, 2013, the HEWT Subcommittee held a hearing in Washington, D.C., on “Keeping College Within Reach: Enhancing Transparency for Students, Families, and Taxpayers.” The purpose of the hearing was to examine ways to improve the information provided by the federal government to inform students and families about their postsecondary education options. Testifying before the Subcommittee were Dr. Donald E. Heller, Dean, College of Education, Michigan State University, East Lansing, Michigan; Mr. Alex Garrido, Student, Keiser University, Miami, Florida; Dr. Nicole Farmer Hurd, Founder and Executive Director, National College Advising Corps, Carrboro, North Carolina; and Mr. Travis Reindl, Program Director, Postsecondary Education, National Governors Association Center for Best Practices, Washington, D.C.

On June 13, 2013, the HEWT Subcommittee held a hearing in Washington, D.C., on “Keeping College Within Reach: Discussing Program Quality through Accreditation.” The purpose of the hearing was to examine the historical role of accreditation, discuss the

role of regional and national accreditors in measuring institutional quality, and consider possible areas for reform. Testifying before the Subcommittee were Dr. Elizabeth H. Sibolski, President, Middle States Commission on Higher Education, Philadelphia, Pennsylvania; Dr. Michale McComis, Executive Director, Accrediting Commission of Career Schools and Colleges, Arlington, Virginia; Ms. Anne D. Neal, President, American Council of Trustees and Alumni, Washington, D.C.; and Mr. Kevin Carey, Director of the Education Policy Program, The New America Foundation, Washington, D.C.

On July 9, 2013, the Committee held a hearing in Washington, D.C., on “Keeping College Within Reach: Improving Higher Education through Innovation.” The purpose of the hearing was to highlight innovation in higher education occurring at the state and institutional level and in the private sector. Testifying before the Committee were Mr. Scott Jenkins, Director of External Relations, Western Governors University, Salt Lake City, Utah; Dr. Pamela J. Tate, President and Chief Executive Officer, Council for Adult and Experiential Learning, Chicago, Illinois; Dr. Joann A. Boughman, Senior Vice Chancellor for Academic Affairs, University System of Maryland, Adelphi, Maryland; and Mr. Burck Smith, Chief Executive Officer and Founder, StraighterLine, Baltimore, Maryland.

On September 11, 2013, the HEWT Subcommittee held a hearing in Washington, D.C., on “Keeping College Within Reach: Supporting Higher Education Opportunities for America’s Servicemembers and Veterans.” The purpose of the hearing was to examine the efforts of higher education institutions to improve postsecondary education opportunities for servicemembers and veterans. Testifying before the Subcommittee were Mrs. Kimrey W. Rhinehardt, Vice President for Federal and Military Affairs, The University of North Carolina, Chapel Hill, North Carolina; Dr. Arthur F. Kirk, Jr., President, Saint Leo University, Saint Leo, Florida; Dr. Russell S. Kitchner, Vice President for Regulatory and Governmental Relations, American Public University System, Charles Town, West Virginia; and Dr. Ken Sauer, Senior Associate Commissioner for Research and Academic Affairs, Indiana Commission for Higher Education, Indianapolis, Indiana.

On September 18, 2013, the HEWT Subcommittee held a hearing in Washington, D.C., on “Keeping College Within Reach: Improving Access and Affordability through Innovative Partnerships.” The purpose of the hearing was to examine the efforts of higher education institutions to expand access and reduce costs by partnering with local employers, other colleges, or online course providers. Testifying before the Subcommittee were Dr. Jeffrey Docking, President, Adrian College, Adrian, Michigan; Ms. Paula R. Singer, President and Chief Executive Officer, Laureate Global Products and Services, Baltimore, Maryland; Dr. Rich Baraniuk, Professor, Rice University, and Founder, Connexions, Houston, Texas; and Dr. Charles Lee Isbell, Jr., Professor and Senior Associate Dean, College of Computing, Georgia Institute of Technology, Atlanta, Georgia.

On November 13, 2013, the Committee held a hearing in Washington, D.C., on “Keeping College Within Reach: Simplifying Federal Student Aid.” The purpose of the hearing was to examine the

need to streamline, consolidate, and simplify federal student aid programs. Testifying before the Committee were Ms. Kristin D. Conklin, Founding Partner, HCM Strategies, LLC, Washington, D.C.; Dr. Sandy Baum, Research Professor of Education Policy, George Washington University Graduate School of Education and Human Development, and Senior Fellow, Urban Institute, Washington, D.C.; Ms. Jennifer Mishory, J.D., Deputy Director, Young Invincibles, Washington, D.C.; and Mr. Jason Delisle, Director, Federal Education Budget Project, New America Foundation, Washington, D.C.

On December 3, 2013, the HEWT Subcommittee held a hearing in Washington, D.C., on “Keeping College Within Reach: Strengthening Pell Grants for Future Generations.” The purpose of the hearing was to examine Pell Grant program reform proposals to better target funds to the neediest students and put the program on a fiscally responsible and sustainable path. Testifying before the Subcommittee were Mr. Justin Draeger, President and Chief Executive Officer, National Association of Student Financial Aid Administrators, Washington, D.C.; Dr. Jenna Ashley Robinson, Director of Outreach, John W. Pope Center for Higher Education Policy, Raleigh, North Carolina; Mr. Michael Dannenberg, Director of Higher Education and Education Finance Policy, The Education Trust, Washington, D.C.; and Mr. Richard C. Heath, Director of Student Financial Services, Anne Arundel Community College, Arnold, Maryland.

Second Session—Hearings

On January 28, 2014, the HEWT Subcommittee held a hearing in Washington, D.C., on “Keeping College Within Reach: Sharing Best Practices for Serving Low-Income and First Generation Students.” The purpose of the hearing was to highlight best practices at institutions of higher education for serving low-income and first generation students. Testifying before the Subcommittee were Dr. James Anderson, Chancellor, Fayetteville State University, Fayetteville, North Carolina; Mrs. Mary Beth Del Balzo, Senior Executive Vice President and Chief Executive Officer, The College of Westchester, White Plains, New York; Mr. Josse Alex Garrido, graduate student, University of Texas—Pan American, Edinburg, Texas; and Rev. Dennis H. Holtschneider, President, DePaul University, Chicago, Illinois.

On February 27, 2014, the Subcommittee on Early Childhood, Elementary, and Secondary Education and the HEWT Subcommittee held a joint hearing in Washington, D.C., on “Exploring Efforts to Strengthen the Teaching Profession.” The purpose of the hearing was to discuss the state of teacher preparation nationwide. Testifying before the Subcommittees were Dr. Deborah A. Gist, Commissioner, Rhode Island Department of Elementary and Secondary Education, Providence, Rhode Island; Dr. Marcy Singer-Gabella, Professor of the Practice of Education, Vanderbilt University, Nashville, Tennessee; Dr. Heather Peske, Associate Commissioner for Educator Quality, Massachusetts Department of Elementary and Secondary Education, Malden, Massachusetts; and Ms. Christina Hall, Co-Founder and Co-Director, Urban Teacher Center, Baltimore, Maryland.

On March 12, 2014, the HEWT Subcommittee held a hearing in Washington, D.C., on “Examining the Mismanagement of the Student Loan Rehabilitation Process.” The purpose of the hearing was to examine the Department’s ability to oversee the processing of rehabilitated loans issued in the Direct Loan program. Testifying before the Subcommittee were Ms. Melissa Emrey-Arras, Director of Education, Workforce, and Income Security Issues, U.S. Government Accountability Office, Boston, Massachusetts; the Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; Mr. James Runcie, Chief Operating Officer, Office of Federal Student Aid, U.S. Department of Education, Washington, D.C.; and Ms. Peg Julius, Executive Director of Enrollment Management, Kirkwood Community College, Cedar Rapids, Iowa.

On March 20, 2014, the Committee held a field hearing in Mesa, Arizona, on “Reviving our Economy: Supporting a 21st Century Workforce.” The purpose of the hearing was to explore the role of higher education institutions in fostering job creation and growth through innovative partnerships with the business community and new modes of teaching delivery. Testifying before the Committee were the Honorable Rick Heumann, Vice Mayor, City of Chandler, Chandler, Arizona; Ms. Cathleen Barton, Education Manager, Intel Corporate Affairs, Southwestern United States, Intel Corporation, Chandler, Arizona; Mr. Lee D. Lambert, J.D., Chancellor, Pima Community College, Tucson, Arizona; Dr. William Pepicello, President, University of Phoenix, Tempe, Arizona; Dr. Michael Crow, President, Arizona State University, Tempe, Arizona; Dr. Ann Weaver Hart, President, The University of Arizona, Tucson, Arizona; Dr. Ernest A. Lara, President, Estrella Mountain Community College, Avondale, Arizona; and Ms. Christy Farley, Vice President of Government Affairs and Business Partnerships, Northern Arizona University, Phoenix, Arizona.

On April 2, 2014, the Committee held a hearing in Washington, D.C., on “Keeping College Within Reach: Meeting the Needs of Contemporary Students.” The purpose of the hearing was to examine how institutions, states, and other entities assist contemporary college students in accessing and completing postsecondary education. Testifying before the Committee were Dr. George A. Pruitt, President, Thomas Edison State College, Trenton, New Jersey; Dr. Kevin Gilligan, Chairman and Chief Executive Officer, Capella Education Company, Minneapolis, Minnesota; Mr. David Moldoff, Chief Executive Officer and Founder, AcademyOne, Inc., West Chester, Pennsylvania; Dr. Joann A. Boughman, Senior Vice Chancellor for Academic Affairs, University System of Maryland, Adelphi, Maryland; Mr. Stan Jones, President, Complete College America, Indianapolis, Indiana; and Dr. Brooks A. Keel, President, Georgia Southern University, Statesboro, Georgia.

Legislative action

On May 9, 2013, then-Chairman Kline and then-HEWT Subcommittee Chairwoman Foxx introduced H.R. 1911, the *Smarter Solutions for Students Act*. The bill moved all federal student loans (except Perkins loans) to a market-based interest rate. On May 16, 2013, the Committee considered H.R. 1911 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 24 to 13. On May 23, 2013, the House

of Representatives passed H.R. 1911 by a bipartisan vote of 221 to 198. On July 24, 2013, the Senate passed a substitute version of H.R. 1911, the *Bipartisan Student Loan Certainty Act*, by a bipartisan vote of 81 to 18. The legislation allowed student loan interest rates to flow with the market by resetting them once a year based on a formula in the statute, but the rate would become fixed once the loan disbursed to the student. On July 31, 2013, the House of Representatives agreed to suspend the rules and agree to the Senate amendment to H.R. 1911 by a bipartisan vote of 392 to 31. On August 9, 2013, the President signed H.R. 1911 into law (P.L. 113–28).

On July 10, 2013, then-Chairman Kline, then-HEWT Subcommittee Chairwoman Foxx, and Rep. Hastings introduced H.R. 2637, the *Supporting Academic Freedom through Regulatory Relief Act*. The bill, which included the text of the *Protecting Academic Freedom in Higher Education Act* (H.R. 2117) and the Kline/Foxx/Hastings amendment to H.R. 1 from the 112th Congress, repealed the credit hour, state authorization, and gainful employment regulations, and it amended the statute to clarify the incentive compensation regulation. Additionally, the bill prohibited the Department from issuing related regulations until after Congress reauthorizes the HEA. On July 24, 2013, the Committee considered H.R. 2637 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 22 to 13. This policy is included in H.R. 4508.

On June 26, 2014, then-HEWT Subcommittee Chairwoman Foxx and Rep. Luke Messer (R-IN) introduced H.R. 4983, the *Strengthening Transparency in Higher Education Act*. The bill simplified and streamlined the information made publicly available by the Secretary of Education (the Secretary) regarding institutions of higher education. On July 10, 2014, the Committee considered H.R. 4983 in legislative session and reported it favorably, as amended, to the House of Representatives by a voice vote. On July 23, 2014, the House of Representatives considered H.R. 4983 under suspension of the rules. The bill was agreed to by voice vote, sent to the Senate, and referred to the Senate Committee on Health, Education, Labor, and Pensions where no further action was taken. This policy is included in H.R. 4508.

On June 26, 2014, Rep. Brett Guthrie (R-KY) and Rep. Richard Hudson (R-NC) introduced H.R. 4984, the *Empowering Students through Enhanced Financial Counseling Act*. The bill amended the loan counseling requirements under the HEA and required counseling for Federal Pell Grant recipients. On July 10, 2014, the Committee considered H.R. 4984 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. On July 24, 2014, the House of Representatives considered H.R. 4984 and passed it, as amended, by a bipartisan vote of 405 to 11. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions where no further action was taken. This policy is included in H.R. 4508.

First Session—Hearings

On February 4, 2015, the Committee held a hearing in Washington, D.C., on “Expanding Opportunity in America’s Schools and Workplaces.” The purpose of the hearing was to learn about efforts made by state leaders to improve K–12 and postsecondary education, to ensure students who graduate are prepared to pursue a postsecondary education and compete in the workforce, and to promote efforts to spur job creation. Testifying before the Committee were Dr. Michael Amiridis, Provost and Executive Vice President for Academic Affairs, University of South Carolina, Columbia, South Carolina; Mr. Drew Greenblatt, President and CEO, Marlin Steel Wire Products, Baltimore, Maryland; Dr. Lawrence Mishel, President, Economic Policy Institute, Washington, D.C.; and the Honorable Mike Pence, Governor, State of Indiana, Indianapolis, Indiana.

On March 17, 2015, the Committee’s HEWT Subcommittee held a hearing in Washington, D.C., on “Strengthening America’s Higher Education System.” The purpose of the hearing was to explore policy proposals that align with the Committee’s four pillars for reauthorization of the HEA: (1) promoting innovation, access, and completion; (2) simplifying and improving student aid; (3) empowering students and families to make informed decisions; and (4) ensuring strong accountability and a limited federal role. Testifying before the Subcommittee were Mr. Willis Goldsmith, Partner, Jones Day, New York, New York, testifying on behalf of the U.S. Chamber of Commerce; Mr. Stan Soloway, President and CEO, Professional Services Council, Arlington, Virginia; Ms. Angela Styles, Partner, Crowell & Moring LLP, Washington, D.C.; and Ms. Karla Walter, Associate Director, American Worker Project, Center for American Progress, Washington, D.C.

On April 30, 2015, the HEWT Subcommittee held a hearing in Washington, D.C., on “Improving College Access and Completion for Low-Income and First-Generation Students.” The purpose of the hearing was to explore policy proposals and best practices to strengthen programs helping disadvantaged students access and complete higher education. Testifying before the Subcommittee were Dr. Laura Perna, James S. Riepe Professor, Executive Director, Alliance for Higher Education and Democracy, University of Pennsylvania, Philadelphia, Pennsylvania; Dr. Charles J. Alexander, Associate Vice Provost for Student Diversity, Director, Academic Advancement Program, Associate Adjunct Professor, University of California, Los Angeles, California; Dr. Michelle Asha Cooper, President, Institute for Higher Education Policy, Washington, D.C.; and Dr. Joe D. May, Chancellor, Dallas County Community College District, Dallas, Texas.

On September 10, 2015, the Committee’s HEWT Subcommittee held a hearing in Washington, D.C., on “Preventing and Responding to Sexual Assault on College Campuses.” The purpose of the hearing was to explore policy proposals and best practices to help institutions address and respond to campus sexual assault and violence. Testifying before the Subcommittee were Ms. Dana Scaduto, General Counsel, Dickinson College, Carlisle, Pennsylvania; Dr. Penny Rue, Vice President for Campus Life, Wake Forest Univer-

sity, Winston-Salem, North Carolina; Ms. Lisa M. Maatz, M.A., Vice President for Government Relations, American Association of University Women, Washington, D.C.; and Mr. Joseph Cohn, Legislative and Policy Director, Foundation for Individual Rights in Education, Philadelphia, Pennsylvania.

On November 18, 2015, the Committee's HEWT Subcommittee and the Committee on Oversight and Government Reform Subcommittee on Government Operations held a hearing in Washington, D.C., on "Federal Student Aid: Performance-Based Organization Review." The purpose of the hearing was to review the Office of Federal Student Aid's responsibilities as a Performance-Based Organization (PBO), evaluate the PBO's performance, and identify possible areas of reform. Testifying before the Subcommittees were Mr. James Runcie, Chief Operating Officer, U.S. Department of Education, Washington, D.C.; Ms. Melissa Emrey-Arras, Director, Education Workforce, and Income Security, U.S. Government Accountability Office, Washington, D.C.; the Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; Mr. Ben Miller, Senior Director, Postsecondary Education, Center for American Progress, Washington, D.C.; and Mr. Justin Draeger, President, National Association of Student Financial Aid Administrators, Washington, D.C.

Legislative action

On July 23, 2015, then-HEWT Subcommittee Chairwoman Foxx along with then-Chairman Kline, Ranking Member Robert C. "Bobby" Scott (D-VA), and Reps. Messer, Gregorio Sablan (D-MP), Tim Walberg (R-MI), Joe Heck (R-NV), Buddy Carter (R-GA), Elise Stefanik (R-NY), Susan Davis (D-CA), Raúl Grijalva (D-AZ), and Mark DeSaulnier (D-CA) reintroduced H.R. 3178, the *Strengthening Transparency in Higher Education Act*. The bill ensured straightforward and useful information is easily accessible to students and parents and improved coordination between federal agencies to publish information about colleges and universities. On June 22, 2016, the Committee considered H.R. 3178 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. On July 11, 2016, the House of Representatives passed H.R. 3178 by voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions where no further action was taken. This policy is included in H.R. 4508.

On July 23, 2015, Rep. Brett Guthrie along with then-Chairman Kline, Ranking Member Scott, and Reps. Rick Allen (R-GA), Suzanne Bonamici (D-OR), Duncan Hunter (R-CA), Walberg, Heck, Messer, Carter, Stefanik, Davis, Grijalva, Sablan (D-MP), Mark Pocan (D-WI), Mark Takano (D-CA), Katherine Clark (D-MA), Mark DeSaulnier, and Hudson, reintroduced H.R. 3179, *Empowering Students Through Enhanced Financial Counseling Act*. The bill promotes financial literacy through enhanced counseling for all recipients of federal financial aid. On June 22, 2016, the Committee considered H.R. 3179 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. On July 11, 2016, the House of Representatives passed H.R. 3179 by voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pen-

sions where no further action was taken. This policy is included in H.R. 4508.

On June 20, 2016, Rep. Heck along with Reps. David “Phil” Roe (R–TN), Jared Polis (D–CO), and Pocan introduced H.R. 5528, the *Simplifying the Application for Student Aid Act*. The bill ensured continued allowance for earlier notification of federal student aid, leveraged technology to make the application for federal student aid more accessible and easier to fill out, and provided more time for financial aid administrators to verify and package student aid. On June 22, 2016, the Committee considered H.R. 5528 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. On July 11, 2016, the House of Representatives passed H.R. 5528 by voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions where no further action was taken. This policy is included in H.R. 4508.

On June 20, 2016, Rep. Heck along with Reps. Ruben Hinojosa (D–TX) and Raul Ruiz (D–CA) introduced H.R. 5529, the *Accessing Higher Education Opportunities Act*. The bill expanded the authorized uses of funds for Hispanic-Serving Institutions (HSIs), so they may promote dual enrollment opportunities and encourage Hispanic students to pursue doctoral degree programs in the healthcare industry. On June 22, 2016, the Committee considered H.R. 5529 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. On July 11, 2016, the House of Representatives passed H.R. 5529 by voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions where no further action was taken. Aspects of this policy are included in H.R. 4508.

On June 20, 2016, Reps. Alma Adams (D–NC) and Bradley Byrne (R–AL) introduced H.R. 5530, the *HBCU Capital Financing Improvement Act*. The bill improved the program by requiring the advisory board to send an annual report to Congress regarding the status of the Historically Black College and University (HBCU) Capital Financing Program. Additionally, the bill renamed the escrow account to “bond insurance fund.” The bill also allowed for financial counseling to eligible HBCUs to assist in their preparation to qualify, apply for, and maintain a capital improvement loan. On June 22, 2016, the Committee considered H.R. 5530 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. On July 11, 2016, the House of Representatives passed H.R. 5530 by voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health Education, Labor, and Pensions where no further action was taken. This policy is included in H.R. 4508.

115TH CONGRESS

First Session—Hearings

On February 7, 2017, the Committee held a hearing in Washington, D.C., on “Challenges and Opportunities in Higher Education.” The purpose of the hearing was to learn more about the main challenges and opportunities facing America’s higher education system and gain a better understanding of some of the major

policy proposals that align with the Committee's four key priorities for HEA reauthorization: (1) promoting innovation, access, and completion; (2) simplifying and improving student aid; (3) empowering students and families to make informed decisions; and (4) ensuring strong accountability and a limited federal role. Testifying before the Committee were Dr. Beth Akers, Senior Fellow, Manhattan Institute, New York City, New York; Dr. William English "Brit" Kirwan, Co-Chair, Task Force on the Federal Regulation of Higher Education, Rockville, Maryland; Dr. José Luis Cruz, President, Lehman College, Bronx, New York; and Mr. Kevin Gilligan, Chairman and Chief Executive Officer, Capella Education Company, Minneapolis, Minnesota.

On March 21, 2017, the Committee held a hearing in Washington, D.C., on "Improving Federal Student Aid to Better Meet the Needs of Students." The purpose of the hearing was to detail the complex federal patchwork of grants, loans, and campus-based aid programs, as well as discuss the need for streamlining, consolidating, and simplifying these student aid programs. Testifying before the Committee were Ms. JoEllen Soucier, Executive Director of Financial Aid, Houston Community College System, Houston, Texas; Ms. Kristin Conklin, Partner, HCM Strategists, Washington, D.C.; Mrs. Youlonda Copeland-Morgan, Vice Provost of Enrollment Management, University of California, Los Angeles, Los Angeles, California; and Dr. Matt Chingos, Senior Fellow, Urban Institute, Washington, D.C.

On April 27, 2017, the Committee held a hearing in Washington, D.C., on "Strengthening Accreditation to Better Protect Students and Taxpayers." The purpose of the hearing was to provide an overview of the accreditation system, explore how the system provides accountability for both students and taxpayers and examine ways the current accreditation system could be strengthened. Testifying before the Committee were Dr. Mary Ellen Petrisko, President, Western Association of Schools and Colleges, Senior College and University Commission, Alameda, California; Dr. George A. Pruitt, President, Thomas Edison State University, Trenton, New Jersey; Mr. Ben Miller, Senior Director for Postsecondary Education, Center for American Progress, Washington, D.C.; Dr. Michale S. McComis, Executive Director, Accrediting Commission of Career Schools and Colleges, Arlington, Virginia.

On May 24, 2017, the Subcommittee on Higher Education and Workforce Development (HEWD), formerly the HEWT Subcommittee, held a hearing in Washington, D.C., on "Empowering Students and Families to Make Informed Decisions on Higher Education." The purpose of the hearing was to demonstrate that it is possible to improve the higher education data landscape while continuing to maintain student privacy, empower students and families to make more informed decisions, and ensure policymakers have the information needed to determine whether taxpayers are getting a return on their significant investment in postsecondary education. Testifying before the Subcommittee were Dr. Mark Schneider, Vice President, American Institutes for Research, Washington, D.C.; Mr. Jason Delisle, Resident Fellow, American Enterprise Institute, Washington, D.C.; Ms. Mamie Voight, Vice President of Policy Research, Institute for Higher Education Policy,

Washington, D.C.; and Mr. Andrew Benton, President and Chief Executive Officer, Pepperdine University, Malibu, California.

On July 26, 2017, the HEWD Subcommittee held a hearing in Washington, D.C., on “Expanding Options for Employers and Workers Through Earn-and-Learn Opportunities.” The purpose of the hearing was to discuss apprenticeship programs and consider how changes to the Registered Apprenticeship program may improve opportunities for employees and lead to greater employer participation. Testifying before the Subcommittee were Mr. Mike Bennett, Vice President, Cianbro, Pittsfield, Maine; Mr. Robert Peglow, student, Kentucky Federation for Advanced Manufacturing Education (KYFAME), Franklin, Kentucky; Mr. Rob Hogan, Vice President of Manufacturing and Material Distribution, Newport News Shipbuilding, Newport News, Virginia; and Ms. Stacey Johnson Hughes, State Chair, Kentucky Federation for Advanced Manufacturing Education, Russellville, Kentucky.

On October 24, 2017, the Committee, together with the Committee on Homeland Security, held a hearing in Washington, D.C., on “Public-Private Solutions to Educating a Cyber Workforce.” The purpose of the hearing was to discover best practices for cybersecurity workforce development. The joint hearing provided the opportunity to hear from witnesses who have studied the issues of cybersecurity workforce recruitment and retention, as well as those who have instituted successful recruitment and retention programs for their own workforce. Testifying before the Subcommittee were the Honorable Stephen A. Cambone, Associate Vice Chancellor, Texas A&M University System, College Station, Texas; Mr. Douglas Rapp, President, Cyber Leadership Alliance, Zionsville, Indiana; Dr. R. Scott Ralls, President, Northern Virginia Community College, Annandale, Virginia; and Mr. David Jarvis, Security & CIO Lead, IBM Institute for Business Value, Portsmouth, Rhode Island.

Legislative action

On December 1, 2017, Chairwoman Foxx and HEWD Subcommittee Chairman Guthrie introduced H.R. 4508, the *Promoting Real Opportunity, Success, and Prosperity Through Education Reform Act* (PROSPER Act).

On December 12, 2017, the Committee considered H.R. 4508 in legislative session and reported it favorably, as amended, to the House of Representatives by a vote of 23 to 17. The Committee considered and adopted the following amendments to H.R. 4508:

1. Amendment in the Nature of a Substitute—HEWD Subcommittee Chairman Guthrie offered an amendment in the nature of a substitute. The amendment was adopted by voice vote.

2. Apprenticeships in Federal Work Study—Rep. Ron Estes (R-KS) offered an amendment to allow institutions to use a portion of their federal work study dollars to identify and expand opportunities for apprenticeships for students and to assist employers in developing jobs that are part of apprenticeship programs. The amendment was adopted by a 22–17 vote.

3. Hazing—Rep. Glenn Thompson (R-PA) offered an amendment to curb hazing on college campuses. The amendment was adopted by a 23–17 vote.

4. Opioid Addiction Recovery—Rep. Lloyd Smucker (R-PA) offered an amendment to require the Secretary to share best prac-

tices on successful college recovery programs and provide support and technical assistance to increase the number and capacity of high-quality programs to help students in recovery from opioid addiction. The amendment was adopted by voice vote.

5. Drug and Opioid Prevention—Rep. Carol Shea-Porter (R-NH) offered an amendment to clarify H.R. 4508 provisions relating to required drug and opioid prevention programming provided by institutions. The amendment was adopted by voice vote.

6. Early Awareness—Rep. Drew Ferguson (R-GA) offered an amendment that requires the Secretary to report on activities undertaken to disseminate financial aid information to high school students and clarifies that such information should also improve the financial and economic literacy of students and their parents. The amendment was adopted by voice vote.

7. Competency-Based Education—Rep. Glenn Grothman (R-WI) offered an amendment to amend the definition of a competency, clarify the restriction on using student aid for prior learning, allow for unequal disbursements of aid based on academic progress, and streamline the accreditation review of CBE programs. The amendment was adopted by a 22–17 vote.

8. Assurance of Annual Counseling—Rep. Grothman offered an amendment to require financial aid administrators to annually affirm to the Secretary that they have provided the required counseling to all students receiving Title IV assistance. The amendment was adopted by a 21–19 vote.

9. Early Estimator Tool Disclosure—Rep. Estes offered an amendment to add a disclosure to students using the early estimator tool to inform them about the difference between a loan and a grant. The amendment was adopted by voice vote.

10. Inclusion and Respect—Rep. Tom Garrett (R-VA) offered an amendment to express the Sense of Congress on inclusion and respect. The amendment was adopted by voice vote.

11. Complaint on Speech Policies—Rep. Garrett offered an amendment to require the Secretary to designate an employee at the Office of Postsecondary Education at the Department to receive complaints from students who believe an institution is not in compliance with a disclosed policy on speech or is enforcing a policy that has not previously been disclosed. The amendment was adopted by a 23–17 vote.

12. Additional Counseling—Rep. Allen offered an amendment to clarify that nothing shall prevent institutions from providing additional financial aid counseling to recipients of aid under Title IV. The amendment was adopted by voice vote.

13. Reduction of Full Time Department Employees—Rep. Todd Rokita (R-IN) offered an amendment that directs the Secretary to identify the number of full-time equivalent employees at the Department who work on or administer education programs and projects eliminated or consolidated under the bill and reduce the Department by that number of employees. The amendment was adopted by a 23–17 vote.

14. United States Institute of Peace—Rep. Thompson offered an amendment to strike the repeal of the United States Institute of Peace. The amendment was adopted by voice vote.

15. Pell Grant Bonus Study—Rep. Grothman offered an amendment to require the Secretary to study the impact of the Pell Grant Bonus. The amendment was adopted by voice vote.

16. DHS Recruiting—Rep. Hunter offered an amendment to prohibit access to federal student aid for institutions of higher education that prohibit or prevent the Department of Homeland Security from recruiting on campus. The amendment was adopted by voice vote.

17. Borrower Defense—Rep. Luke Messer (R-IN) offered an amendment to clarify that a borrower can submit an application for a defense to repayment no later than three years after the misconduct, require the Secretary to submit a report to Congress indicating established policies and procedures, and require the Secretary to inform the borrower of deadlines, document requests, and the ability to seek a review under the *Administrative Procedure Act*. The amendment was adopted by voice vote.

18. Study on Moving FSA to Treasury—Rep. Messer offered an amendment to require the GAO to study the feasibility and practicality of moving the Office of Federal Student Aid from the Department of Education to the Department of the Treasury. The amendment was adopted by voice vote.

19. Plain Language Disclosure—Rep. Messer offered an amendment to direct the Secretary to develop a consumer friendly disclosure form for borrowers of federal student loans. The amendment was adopted by voice vote.

20. Reverse Transfer—Rep. Polis offered an amendment to amend the *General Education Provisions Act* to allow for reverse transfer of student data. The amendment was adopted by voice vote.

SUMMARY

Since 1965, the *Higher Education Act* (HEA) has provided federal support to both individuals pursuing a postsecondary education and institutions of higher education. However, federal law is no longer working for postsecondary students. Since the last reform of the HEA in 2008 (the *Higher Education Opportunity Act*), our country has faced an economic crisis and the higher education landscape has significantly changed. Since the 2008 recession began, America faces a shortage of 6 million skilled workers. Students are facing higher tuition rates and student loan borrowers currently have more than a trillion dollars in student debt. Reforms must be made to assist students in completing an affordable higher education that will prepare them to enter the workforce with the skills they need to be successful.

The PROSPER Act will help more Americans earn a lifetime of success by doing the following:

- Promoting innovation, access, and completion;
- Simplifying and improving student aid;
- Empowering students and families to make informed decisions; and
- Ensuring strong accountability and a limited federal role.

Promoting innovation, access, and completion

- *Strengthens Workforce Development.* The bill expands opportunities for students to participate in industry-led earn-and-learn

programs that lead to high-wage, high-skill, and high-demand careers by supporting partnerships between industry and institutions to develop these programs. It also allows students to use Pell Grants for shorter-term programs that will assist them in entering the workforce more quickly. Additionally, the legislation focuses additional resources on the Federal Work-Study program, while eliminating the arbitrary cap that prevents more than 25 percent of an institution's Work-Study funding from flowing to students working at private-sector companies. The bill also allows institutions to use more resources to locate and develop "work-based" learning jobs, including apprenticeships, for students that align with the students' career goals. The bill allows institutions to use institutional aid to develop and implement career-specific programs. It also requires accrediting agencies to have at least one representative from the business community on the agency's board.

- *Encourages Innovative Learning.* The bill repeals the outdated and rigid definition of distance education, making it possible for institutions to develop more innovative methods of delivering postsecondary education. It also encourages competency-based education by creating a clear pathway for such programs to be eligible for federal student aid to help students attain a less costly degree based on their own learning schedule. The bill also allows new providers of higher education to collaborate with traditional colleges and universities to offer educational programs to students that are eligible for student aid.

- *Emphasizes Access and Completion.* The bill encourages Pell-eligible students to complete on-time and with less debt by offering a \$300 Pell Grant bonus to students who take 15 credits per semester in an award year. The legislation also reforms the TRIO programs to more easily allow first-time applicants the opportunity to compete for a grant, increasing access to the programs for more students by requiring a 20 percent non-federal match and encouraging evidence-based programs focused on increasing college access and completion by setting aside at least 10 percent of grant funds for this purpose.

Simplifying and improving student aid

- *Further Simplifies the FAFSA.* The bill aligns the maximum income threshold required to qualify for the simplified version of FAFSA, known as the simplified needs test, with the simplified tax forms, so more middle class families will be able to easily and quickly complete the form. The bill also ensures students are allowed to continue to apply for federal student aid with income data from two years prior to the date of application. It also makes the FAFSA available on a mobile app and requires both the app and the online form to be consumer-tested so it is clear and easy to use.

- *Streamlines Student Aid.* The bill streamlines student aid programs into one grant program, one loan program, and one work-study program to ease confusion for students who are deciding the best options available to responsibly pay for their college education.

- *One Grant.* The bill reauthorizes the Pell Grant program through Fiscal Year 2024 and requires institutions to disburse the grants to students on a weekly or monthly basis, similar to a paycheck. It also directs the Secretary of Education (the Secretary) to annually provide an individualized Pell Grant

status report to each grant recipient, so students are aware of how much of the grant they have used and how much is left. Further, the bill includes a provision to prevent fraud in the Pell Grant program by prohibiting students from receiving additional Pell Grants if they received a grant for three award years but did not earn any academic credit. The bill also provides the Secretary additional discretion to stop payments to students with unusual enrollment histories.

- One Loan. The bill streamlines the six loans currently available into the new Federal ONE Loan Program with one unsubsidized loan per category of borrower: an undergraduate loan, a graduate loan, and a parent loan. The program offers reasonable annual and aggregate limits on undergraduate, graduate, and parent borrowing and allows financial aid administrators to develop lower loan limits for certain categories of borrowers to ensure responsible lending. Like the reform in the Pell Grant program, institutions are required to disburse loans to students on a weekly or monthly basis, similar to a paycheck. The bill eliminates the origination fees borrowers are currently charged for each loan disbursed and maintains the market-driven interest rates set in current law.

- One Work-Study. The bill reforms the outdated Federal Work-Study program allocation formula by equitably distributing work-study dollars based on Pell Grant dollars and undergraduate student need. It creates a new set aside of up to \$150 million for institutions that have strong Pell Grant recipient completion rates or have significant improvement of the rate from the preceding academic year. The bill also focuses the limited funding in this program for students pursuing an undergraduate degree.

- Simplifies Repayment. The bill pares down the maze of loan repayment options to one standard 10-year repayment plan and one income-based repayment (IBR) plan. Borrowers in the IBR plan have affordable monthly payments of no more than 15 percent of their discretionary income. Borrowers enrolled in the IBR plan will make such monthly payments until they repay the principal and interest they would have paid under a standard 10-year plan, as calculated when they entered repayment.

Empowering students and families to make informed decisions

- Improves Early Awareness. The bill requires the Secretary, in consultation with states, institutions of higher education, secondary schools, and college access programs, to notify secondary school students no later than the students' sophomore year of the availability of federal financial aid and the difference between federal grants and loans. It also encourages states, institutions of higher education, and other stakeholders to share best practices on disseminating information about financial assistance to these students. Additionally, the bill directs the Secretary to maintain a consumer-tested early estimator tool, available online and through a mobile app, that will give students and parents an estimate of a student's potential federal aid eligibility.

- Increases Transparency. The bill requires the Secretary to create a consumer-tested College Dashboard that displays key information about colleges and universities, including enrollment, com-

pletion, cost, and financial aid. The College Dashboard will include aggregated information on the average debt of borrowers at graduation and the average salary of students who received federal financial aid both five and 10 years after graduation for each program at an institution of higher education that participates in a student aid program under Title IV. The Secretary is also required to provide students a link to the College Dashboard page of each institution listed on the student's FAFSA to make sure students know this information is available.

- **Enhances Financial Aid Counseling.** The bill requires all recipients of federal student aid to undergo enhanced financial aid counseling, including—for the first time—Pell Grant recipients and parent borrowers. The bill requires loan counseling to be tailored to a borrower's individual situation as well as improves the timing and frequency by requiring annual loan counseling before an individual signs on the dotted line, so the borrower, both students and parents, have the most current information. Exit counseling is bolstered to include information on the borrower's outstanding loan balance and anticipated monthly payments and contact information for the borrower's loan servicer. Annual Pell Grant counseling is also required for all Pell recipients.

Ensuring strong accountability and a limited federal role

- **Strengthens Accountability through Accreditation.** To streamline federal requirements placed on accreditors and focus accreditors on reviewing student outcomes, the bill replaces the current 10 statutory accreditation standards with a requirement that accreditors have standards that assess the institution's success in relation to the institution's mission with respect to student learning and educational outcomes. The bill also increases institutional accountability, without involvement by the Secretary. It does so by requiring accreditors have a system in place to annually identify accredited institutions or programs experiencing difficulties accomplishing their missions with respect to their established student learning and educational outcome goals.

- **Increases Institutional Risk-Sharing.** The bill reforms the return to Title IV process, which governs how unearned student aid dollars are returned to the federal government, to reduce burden and increase institutional risk-sharing tied to student completion. To push institutions to focus on student completion and require institutions to share in the risk of non-completion, the burden of repaying unearned aid when a student withdraws from an institution is shifted on to the institution. Further, the bill replaces the institutional-level cohort default rate with a program-level loan repayment rate which will target federal student aid to only those programs where graduates have the ability to repay their student loans.

- **Eliminates Burdensome Regulations and Unnecessary Reporting Requirements.** The bill eliminates burdensome federal regulations that put Washington in the middle of issues that are the responsibility of institutions or states, limit student choice, and stifle innovative practices by institutions. The bill also repeals or streamlines reporting requirements that fail to provide useful information to students, families, and policymakers, and exacerbate rising college costs.

- Reduces the Secretary's Authority. The bill places strong prohibitions on the Secretary by explicitly prohibiting him/her from exceeding his/her authority, defining any terms inconsistent with the HEA, or adding any requirements on institutions and states that are not explicitly authorized in the law.
- Repeals Unfunded Programs. The bill repeals all unfunded programs ensuring congressional priorities are maintained in the future.

COMMITTEE VIEWS

Introduction

Our nation's higher education system is in need of comprehensive reform. We can no longer rubber stamp a law first created over fifty years ago. Reforming the *Higher Education Act* (HEA) provides policymakers an opportunity to improve the law and strengthen America's postsecondary system for students, parents, institutions, and taxpayers.

Since the last reform of the HEA in 2008, our country has faced an economic crisis and the higher education landscape has seen significant change. Since the 2007 recession began, the American workforce faces a shortage of 6 million skilled workers.¹ At the same time, students are facing higher tuition rates and have collectively taken on \$1.34 trillion dollars in student debt.² The average debt per borrower has increased 38 percent since 2008,³ and graduation rates remain low, with an average six-year completion rate of only 54.8 percent.⁴ Unprecedented levels of student debt are having an impact on students and families, and creating a major drag on economic growth. The six different types of federal student loans, nine repayment plans, eight forgiveness programs, and 32 deferment and forbearance options under current law have created more burden than opportunity for students. Reforms need to be made to assist students in completing an affordable higher education that will prepare them to enter the workforce with the skills they need to be successful.

The *Promoting Real Opportunity, Success, and Prosperity through Education Reform Act* (PROSPER Act), H.R. 4508, reforms the HEA to help more Americans earn a lifetime of success by promoting innovation, access, and completion; simplifying and improving student aid; empowering students and families to make informed decisions; and ensuring strong accountability and a limited federal role.

Title I—General Provisions

Single definition

Over the last few decades, the number and percentage of non-traditional, or contemporary, students attending postsecondary

¹*Job Openings and Labor Turnover Summary*, U.S. Bureau of Labor Statistics (2017), <https://www.bls.gov/news.release/jolts.nr0.htm>.

²*Federal Student Loan Portfolio Summary*, Federal Student Aid (2017), <https://studentaid.ed.gov/sa/sites/default/files/fsawg/datacenter/library/PortfolioSummary.xls>.

³Id.

⁴*Completing College: A National View of Student Attainment Rates—Fall 2010 Cohort*, National Student Clearinghouse Research Center (2016), <https://nscresearchcenter.org/wp-content/uploads/SignatureReport12.pdf>.

education institutions has increased. A 2015 report released by the National Center for Education Statistics (NCES) stated:

While definitions vary, researchers generally consider nontraditional students to have the following characteristics: being independent for financial aid purposes, having one or more dependents, being a single caregiver, not having a traditional high school diploma, delaying postsecondary enrollment, attending school part time, and being employed full time . . . About 74 percent of all 2011–12 undergraduates had a least one nontraditional characteristic. Moreover, this result is consistent over recent decades: since 1995–96, at least 70 percent of undergraduates possessed at least one nontraditional characteristic.⁵

For most nontraditional students, alternate paths of postsecondary education (e.g., career and technical education schools, community colleges, or proprietary institutions) best serve the needs of these students. In fact, an alternative path is often provided by the proprietary college sector. During a July 8, 2011, hearing, Dr. Anthony Carnevale, Director of the Georgetown University Center on Education and the Workforce, stated:

The for-profit sector has many strengths and is a necessary component of a functional higher education system. It has been wildly successful in enrolling [nontraditional] students, especially older students, minorities, and hard-to-serve students. Moreover, the for-profit sector has proven adept at creating and refining a model of postsecondary education that works for students, offering flexibility not found in other sectors.⁶

In an effort to not limit the postsecondary options available to students, the PROSPER Act updates legal definitions within the HEA to ensure all eligible institutions are recognized fully as institutions of higher education. The current dual definition negatively impacts students because it implies some institutions are less worthy than others, or may not have the same standing as part of our nation's higher education system when it comes to providing opportunities to students.

The Committee strongly believes parity among all institutions will lead to greater equality and better position all students to be successful. Current law prohibits proprietary institutions from receiving institutional aid and the Committee believes this prohibition should remain. With this said, the PROSPER Act does not allow proprietary institutions to receive institutional aid, but does allow for centers, programs, and fellowships geared toward education in foreign languages and area studies to be created and operated at all institutions of higher education.

⁵*Demographic and Enrollment Characteristics of Nontraditional Undergraduates: 2011–12*, National Center for Education Statistics (2015), <https://nces.ed.gov/pubs2015/2015025.pdf>.

⁶Testimony of Dr. Anthony Carnevale Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training and the Committee on Oversight and Government Reform Subcommittee on Regulatory Affairs, Stimulus Oversight, and Government Spending, *Hearing on The Gainful Employment Regulation: Limiting Job Growth and Student Choice*, July 8, 2011, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=249467>.

Foreign institutions

Students looking to pursue a postsecondary education have the option to attend a domestic institution, a foreign institution, or a combination of both. Students who attend a foreign institution have the option to use federal financial aid at institutions that participate in the federal financial aid program. According to data released in October 2017, there are over 700 foreign institutions participating in the federal financial aid program, including foreign graduate medical, foreign nursing, and foreign veterinary schools.⁷

To gain eligibility and remain eligible to participate in federal student financial aid, foreign graduate medical, nursing, and veterinary schools must meet additional criteria. The PROSPER Act amends the additional eligibility criteria for foreign graduate medical schools to better meet the needs of the students by encouraging these institutions to provide higher quality programs and by holding them accountable for the performance of students receiving Title IV aid. The Committee also believes that foreign institutions should have the ability, like domestic institutions, to have written arrangements with ineligible institutions offering quality courses aligned with the program of study. Not all foreign institutions choose to participate in federal student financial aid. The Committee believes a decision by a foreign institution not to participate in federal student financial aid is not a determination of the quality of the programs offered. American students at foreign institutions participating in the federal student financial aid program should have the opportunity to benefit from a variety of quality programs.

The PROSPER Act allows foreign institutions located in countries with auditing standards comparable to the International Financial Reporting Standards (IFRS) to submit only one audit report. Foreign institutions located in countries without comparable IFRS standards are still required to submit two audit reports. The requirement on foreign institutions to submit two audit reports costs institutions anywhere from \$50,000 to \$400,000 annually, and the Committee believes, with the appropriate quality controls, these funds could be better spent on students rather than on meeting burdensome federal government requirements.

Innovative forms of education

The higher education sector is often resistant to change and innovation. Despite the proliferation of creative learning models and dramatically changing demographics of the student population, most colleges and universities continue to use the same worn tactics to instruct students. Federal rules favor the status quo, even as technology has rapidly transformed the way students learn and consume information. The law must be more flexible for future innovations, and institutions must be willing to meet the needs of contemporary students.

H.R. 4508 repeals the antiquated and rigid definition of distance education and instead creates a definition of “correspondence education,” making it possible for institutions to develop more creative

⁷ *International Schools That Participate in the Federal Student Loan Programs*, Postsecondary Education Participants System (2017), <https://studentaid.ed.gov/sa/prepare-for-college/choosing-schools/types/international>.

methods of delivering postsecondary education. The PROSPER Act allows for innovative methods of providing postsecondary education to be supported, so long as the innovation is not correspondence education and institutions providing the education meet all other applicable requirements under the HEA. The Committee believes removing this outdated definition and its related regulatory roadblocks will give institutions the needed flexibility to innovate.

Student speech and association protections

Recent episodes on college and university campuses expose a growing trend of intolerance and hostility toward speech deemed by some to be disagreeable or offensive. Incidents have included violently disrupting speeches and events,⁸ threatening teachers,⁹ and silencing opposing opinions.¹⁰ The founders of our country believed a free expression of ideas and speech was an essential foundation to our nation, and captured its importance in the First Amendment. In a 1783 address to the officers of the Army, General George Washington highlighted the importance of this fundamental freedom:

If men are to be precluded from offering their sentiments on a matter which may involve the most serious and alarming consequences that can invite the consideration of mankind, reason is of no use to us. The freedom of speech may be taken away, and dumb and silent, we may be led like sheep to the slaughter.¹¹

The First Amendment prohibits the government from infringing on free speech rights. Therefore, all public colleges and universities, as state agents, are legally bound to respect the constitutional rights of their students, including the right to free speech. As the Foundation for Individual Rights in Education has noted:

That the First Amendment applies on the public university campus is settled law. Public universities have long occupied a special niche in the Supreme Court's First Amendment jurisprudence. Indeed, the Court has held that First Amendment protections on campus are necessary for the preservation of our democracy.¹²

The Committee believes public institutions of higher education should not engage in activities that would stifle any constitutionally protected speech of a member or invited guest in the educational community. Therefore, H.R. 4508 amends the existing Sense of Congress on Student Speech and Association Rights to express that free speech zones and restrictive speech codes are inherently at odds with the First Amendment and public institutions re-

⁸ Eugene Volokh, *Protesters at Middlebury College shout down speaker, attack him and a professor*, The Washington Post (March 4, 2017), https://www.washingtonpost.com/news/volokh-conspiracy/wp/2017/03/04/protesters-at-middlebury-college-shout-down-speaker-attack-him-and-a-professor/?utm_term=.ed299f4d14ab.

⁹ Colleen Flaherty, *Old Criticisms, New Threats*, FIRE (June 26, 2017), <https://www.insidehighered.com/news/2017/06/26/professors-are-often-political-lightning-rods-now-are-facing-new-threats-over-their>.

¹⁰ *Nationwide: Colleges Across the Country Disinvite Commencement Speakers*, FIRE (2014), <https://www.thefire.org/cases/disinvitation-season/>.

¹¹ *Newburgh Address: George Washington to Officers of the Army, March 15, 1783*, George Washington's Mount Vernon, <http://www.mountvernon.org/education/primary-sources-2/article/newburgh-address-george-washington-to-officers-of-the-army-march-15-1783/>.

¹² *State of the Law: Speech Codes*, FIRE (2018), www.thefire.org/in-court/state-of-the-law-speech-codes/.

ceiving funds under the HEA should not restrict the speech of their students.

Private universities are not directly bound by the First Amendment, which limits only government action, and have the right to place a particular set of moral, philosophical, or religious teachings above a commitment to free expression. While private colleges and universities do not have the same constitutional obligations as their public counterparts, the Committee believes colleges and universities should be marketplaces of ideas and urges those institutions to do what they can to ensure their campuses foster robust debate and discussions that include all views.

The Committee also believes it is critical that students and members of the campus community are able to exercise their right to speak freely and express their views in organizations and events on campus and that students are informed of any policies that may limit their ability to do so. Therefore, H.R. 4508 requires institutions of higher education—in order to be eligible to receive funds under the law—to disclose annually to current and prospective students any policies held by the institution related to protected speech on campus, including policies limiting where and when such speech may occur. The legislation also requires the Secretary of Education (Secretary) to designate an employee within the Office of Postsecondary Education to receive complaints from students who believe an institution is not in compliance with a disclosed policy on speech or is enforcing a policy that has not previously been disclosed.

Further, the Committee believes that no student attending an institution of higher education on a full- or part-time basis should, on the basis of participation in protected speech or protected association, including participation in a single-sex social organization, be excluded from participation in, be denied the benefits of, or be subjected to discrimination or official sanction under any education program, activity, or division of the institution directly or indirectly receiving financial assistance under the HEA, whether or not such program, activity, or division is sponsored or officially sanctioned by the institution.

Higher education transparency

Selecting a college or university is a personal decision for students and their families, with many variables involved in the decision-making process. To assist them in this decision, the federal government has taken steps in recent years to improve data collection and transparency in higher education, with better data ideally resulting in more informed choices. The *Higher Education Opportunity Act*, the 2008 reauthorization of the HEA, required colleges and universities to make information about price, financial aid, and basic facts and figures—such as student demographics and graduation rates—readily available to the public. There are numerous other federal transparency initiatives currently available to students and their families that are authorized under HEA and that are created by various federal entities. However, instead of providing clarity, these initiatives add more confusion by presenting conflicting or redundant information with limited opportunity to compare different education options. Further complicating matters, available data does not include a large portion of the current col-

lege-going population or capture all crucial information students and families need to view and understand the entire landscape of higher education. Despite attempts by the federal government to improve data collection and transparency in the higher education system, students and families still struggle to access and understand information helpful in selecting the right postsecondary institution for their unique situations.

During an April 24, 2013, hearing Mr. Travis Reindl, Program Director for the Education Division at the National Governors Association, urged Congress to streamline and improve higher education data for students:

Simpler and clearer should be a goal for federal efforts. The upcoming reauthorization of the *Higher Education Act* provides a prime opportunity for the [sic] Congress to review all of the existing dashboards, report cards, and data tools for postsecondary education to determine whether and how they are being used and if there are opportunities for streamlining or consolidation.¹³

Additionally, Dr. Michelle Cooper, President of the Institute for Higher Education Policy, noted at an April 30, 2015, hearing that “[f]or first-generation and low-income students, having access to clear and reliable information is critical.”¹⁴

To streamline the confusing and conflicting information currently available, the bill eliminates the requirement that the Secretary gather and publish information institutions are already making publicly available on their websites. To help families make an informed decision, H.R. 4508 requires a streamlined and consumer-tested College Dashboard that will prominently display important data points on each institution, such as the size and type of the institution, the net price to attend, program-level debt and earnings information, and the completion rates of students who attend the institution. Additionally, the legislation ensures the College Dashboard allows students to easily compare this information to other institutions, disaggregated by key demographic areas, including race, socioeconomic level, and disability status. While all institutions of higher education participating in the federal student aid programs are required to report information to be displayed on the College Dashboard, the Committee recognizes students may want information on institutions that do not participate in the student aid programs. Therefore, the Committee urges the Secretary to allow any other institution of higher education to be included on the College Dashboard. As part of this streamlining, H.R. 4508 repeals the College Navigator, the College Affordability and Transparency Lists, the State Higher Education Spending Chart, and the Multi-year Tuition Calculator.

H.R. 4508 requires, for the first time, aggregated information on the average debt of borrowers at graduation and the average salary

¹³Testimony of Travis Reindl Before the House Committee On Education and the Workforce Subcommittee on Higher Education and Workforce Training, *Hearing on Keeping College Within Reach: Enhancing Transparency for Students, Families and Taxpayers, April 24, 2013*, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=330710>.

¹⁴Testimony of Michelle Cooper Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training, *Hearing on Improving College Access and Completion for Low-Income and First-Generation Students, April 30, 2015*, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=398748>.

of students who received federal financial aid both five and 10 years after graduation for each program at a participating institution of higher education be provided, so students can make informed decisions about where they want to pursue postsecondary education and what they want to study. This information will allow students to see what they could potentially earn as graduates from a particular program and then decide if those earnings match up to the cost of the institution under consideration.

In a December 2017 op-ed in the *Washington Post*, Dr. Carnevale discussed the importance of the availability of key program-level information in college decision-making:

This institution-based method for sorting higher education speaks very little to the main reason most people go to college: to get a degree that will help them get a job. In the end, college is a black box. We hope for the best and write a big check. A career begins, however, with what a person majored in, not so much by where that person got the degree. What you earn depends much more on what you take in college than where you go. From a career perspective, college is more a market in program majors than a market in institutions.¹⁵

Dr. Carnevale also notes in a separate article in the *Wall Street Journal* that the PROSPER Act “turns higher education into a market for programs and it breaks away the institution as the unit of value. . . . [I]t will create transparency and give people choices; we’re going to have the information necessary to make markets work.”¹⁶

Since there are a number of federal agencies in addition to the U.S. Department of Education (Department) that collect and publicly report information on colleges and universities, including the U.S. Department of Veterans Affairs, the U.S. Department of Defense, and the Consumer Financial Protection Bureau, students often receive duplicative and confusing information. To avoid this, H.R. 4508 directs the Secretary to coordinate with these other federal agencies to ensure all published higher education data is consistent with information available on the College Dashboard.

As discussed above, the number and percentage of nontraditional, or contemporary, students has increased and now comprise a majority of all students.¹⁷ This trend is expected to continue in the coming years, with NCES estimating students older than 25 to increase by 18 percent between 2014 and 2025.¹⁸ Despite their growing majority, these contemporary students are largely ignored in the current higher education data collection efforts. Under current law, the Secretary is required to publish only information re-

¹⁵Anthony P Carnevale, *House Republicans got this right: Colleges should tell students how much bang their buck will buy*, *The Washington Post* (Dec. 8, 2017), www.washingtonpost.com/news/grade-point/wp/2017/12/08/house-republicans-promise-major-advances-in-college-transparency/?utm_term=.41a90b305cb0.

¹⁶Douglas Belkin & Melissa Korn, *Higher Education Act Proposal Primes Fight Over Future of Colleges*, *The Wall Street Journal* (Dec. 2, 2017), www.wsj.com/amp/articles/higher-education-act-proposal-primes-fight-over-future-of-colleges-1512216000.

¹⁷*Digest of Education Statistics, 2015, Table 303.40: Total full enrollment in degree-granting postsecondary institutions, by attendance status, sex, and age: Selected years, 1970 through 2025*, National Center for Education Statistics (2016), https://nces.ed.gov/programs/digest/d15/tables/dt15_303.40.asp.

¹⁸*National Center for Education Statistics Fast Facts: Enrollment*, National Center for Education Statistics, nces.ed.gov/fastfacts/display.asp?id=98.

garding first-time students who attend classes full-time, generally leaving out those students who are older, have families or jobs, attend school part-time, or have previous college experience. To ensure the federal government provides a more complete picture of the higher education landscape, the PROSPER Act requires the Commissioner of Education Statistics (Commissioner) to ensure completion data is reflective of all students, both traditional and contemporary. H.R. 4508 also requires the publishing of information on the cost per credit hour, or the credit hour equivalency, on the College Dashboard, so students who attend school less than full-time are able to have a cost estimate more relevant to them.

The Committee appreciates the efforts made by the higher education community to create more comprehensive completion metrics that include a larger percentage of the current college-going population. Particularly, the Committee believes the Student Achievement Measure¹⁹ and the efforts of the Committee on Measures for Student Success provide a good foundation for the Commissioner's development of more robust completion metrics that also include transfer students. The Committee expects the Commissioner to consult these entities and others during the development of the metrics.

H.R. 4508 directs the Secretary, in consultation with relevant stakeholders such as parents, students, institutions, and privacy experts, to review all data reporting requirements on institutions; determine which requirements are duplicative or unnecessary; and examine the best way to collect data from institutions to reduce burden and capture the data necessary to help ensure compliance, accountability, and transparency. As a part of the review, the Secretary is required to explore the feasibility of working with the National Student Clearinghouse to establish a third-party method to collect and produce aggregated institution and program-level information without compromising student data privacy and data security. The Secretary will then be required to implement the changes necessary to improve the data reporting process and submit a report to the authorizing congressional committees on any legislative changes needed to make improvements. The Committee believes reviewing institutional data reporting requirements and conducting a feasibility study of institutions working with the National Student Clearinghouse to improve reporting and reduce burden will lead to better information for students and families without sacrificing student privacy.

Reform of the Office of Federal Student Aid

Federal bureaucracies inundated by administrative hurdles prevent government from best serving the people. Recognizing this trend, Congress designated the Department's Office of Federal Student Aid (FSA) as a performance-based organization (PBO), with the goal of improving service for students, integrating systems, providing greater flexibility in management and program delivery, and reducing administrative costs.²⁰ In exchange for its PBO designation, Congress expected FSA to operate with greater efficiency and

¹⁹ *Student Achievement Measure*, Student Achievement Measure, www.studentachievementmeasure.org/.

²⁰ H. Rept. 105-481—HIGHER EDUCATION AMENDMENTS OF 1998, Congress.gov, www.congress.gov/congressional-report/105th-congress/house-report/481/1.

better customer services. These two objectives are even more vital with the end of the Federal Family Education Loan (FFEL) program, a federal guarantee lending program run in cooperation with the private marketplace, and the wholesale shift to direct lending. There are over 33 million individuals with Direct Loans holding over \$1 trillion of debt as of the fourth quarter of 2017.²¹ Unfortunately, the Department's Inspector General and the Government Accountability Office (GAO) have repeatedly shown FSA is unable to deliver results. There are numerous management challenges plaguing FSA, including an ineffective and inefficient procurement process, insufficient oversight of contractors, improper security of sensitive information, and an inability to act as an equal partner with stakeholders.²²

The Committee recognizes the need to strengthen oversight protections at FSA to promote better service and accountability for students, institutions, and taxpayers. The PROSPER Act improves oversight of FSA by requiring more transparent organizational goal-setting and including stakeholders throughout the goal-setting process. The bill establishes an FSA advisory board to oversee the activities at FSA and guide better decision-making. The advisory board will approve FSA's performance plan, make recommendations on providing bonuses for senior executives, and help adopt best practices for loan management employed in the private sector. No longer can FSA conduct unnecessarily long program-reviews, as the agency will have strict deadlines to meet. Further, FSA must be more transparent about the performance of the federal student loan system. H.R. 4508 requires FSA to publicly and electronically report certain aggregate statistics in order to help Congress, researchers, and the public evaluate the health of the federal student loan system. Collectively, these provisions will work together to reverse FSA's failures in internal operations, contract procurement and management, IT security, and customer service.

Addressing sexual assault

Sexual assault on campus must be taken seriously by colleges and universities, and they must actively work to prevent and respond when incidents occur. The PROSPER Act puts students first when it comes to sexual assault. It provides institutions with appropriate guidelines and requirements necessary to help students when an assault happens and to prevent assaults in the first place.

H.R. 4508 requires institutions to survey students at least once every three years to measure campus attitudes towards sexual assault and gauge the general climate of the campus regarding the institution's treatment of sexual assault on campus. The bill directs institutions of higher education to use the results of the survey to improve institutions' abilities to prevent and respond to incidents of sexual assault. The Committee believes campus climate surveys can be a helpful tool in assessing a specific campus environment and can lead to the development of appropriate awareness and education programs for the community. During a September 10, 2015,

²¹ *Federal Student Loan Portfolio*, Federal Student Aid, (Dec. 12, 2017), studentaid.ed.gov/sa/about/data-center/student/portfolio.

²² *Committee Raises Concerns with FSA Management, Single Servicer Proposal*, Committee on Education and the Workforce (Aug. 8 2016), edworkforce.house.gov/news/documentsingle.aspx?DocumentID=400962.

hearing Dr. Penny Rue, Vice President for Campus Life at Wake Forest University, noted the importance of climate surveys:

Campus Climate surveys are another growing practice, and these are used to assess students' perceptions of and experiences with sexual assault or other forms of gender-based violence on campus. Since such a small number of sexual assaults are actually reported, it is important for each campus to understand, through an anonymous survey, the number of students who have experienced a sexual assault, sexual harassment, stalking or other forms of gender-based violence, as well as providing data on attitudes that can be used to shape prevention efforts. Through these campus climate surveys [campuses will] be able to both understand the scope of the problem on their campus and to measure over time the effectiveness of their prevention efforts. These surveys are designed to provide an institution-specific picture that, in turn, enables leaders to coordinate with the campus community to strengthen prevention efforts in strategic and proactive ways.²³

To aid institutions in their responsibility to survey students, H.R. 4508 requires the Secretary to develop sample surveys an institution may use but prohibits the Secretary from regulating on the contents of the survey to ensure institutions can design surveys to best meet their needs. The Committee believes surveys should be designed with the goal of informing and improving campus prevention and response efforts and anonymous responses should be guaranteed. These surveys should not be designed to serve as a consumer information tool or an enforcement mechanism, as this may compromise their ultimate usefulness as a tool for institutional improvement by discouraging candidness and honest responses. At the same 2015 hearing, Dr. Rue went on to discuss the importance of institutional autonomy in survey design:

What is less helpful is the notion that one standardized survey would be imposed on all institutions by the federal government. This approach does not accommodate the wide array of campus environments or recognize the diligent work of the institutional community to address their own unique needs and challenges. Each institution should have the autonomy to develop the best survey for their campuses and their students. American higher education is fortunate to have a wide range of colleges and universities that range from four-year residential, to community colleges to primarily on-line colleges. One mandatory campus climate survey will not meet the needs of each college or university, and the regulatory burden will siphon resources away from prevention and support initiatives.²⁴

When victims of sexual assault come forward, they often are in distress and traumatized. They may want to officially report the incident to a Title IX coordinator or the police, or they may merely

²³ Testimony of Dr. Penny Rue Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training, *Hearing on Preventing and Responding to Sexual Assault on College Campuses*, September 10, 2015, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=399274>.

²⁴ Id.

be looking for counseling, emotional support, or other available resources to help them cope. The Committee believes access to qualified counselors to support students who are victims of sexual assault is critically important. Therefore, the PROSPER Act requires colleges and universities to provide victims access to an advisor who can provide confidential support to the greatest extent allowable by law and answers to their questions. Additionally, H.R. 4508 requires institutions to develop a one-page form to guide and assist students who may be victims of sexual assault and to make the form widely available to students.

H.R. 4508 requires the Secretary, in consultation with the U.S. Attorney General, to develop best practices for memoranda of understanding (MOU) between institutions and local law enforcement and to disseminate the best practices on the Department's website. The Committee recognizes MOUs between institutions and local law enforcement can provide clarity regarding coordination and separation of responsibilities between the institution and law enforcement, as well as address jurisdictional matters. However, while the practice should be encouraged, it should not be mandated, as institutions may be unable to reach an agreement with the local authorities that is in the best interests of their students and the campus community.

Title II—Expanding Access to In-Demand Apprenticeships

Repeal of teacher programs

H.R. 4508 repeals the Teacher Quality Partnership (TQP) Grant program and programs authorized under part B of Title II as well as related reporting requirements. The TQP Grant was repealed in H.R. 5, the *Student Success Act* (114th Congress), making H.R. 4508 consistent with previous legislation passed by the Committee and the House. Additionally, the Obama and the Trump administrations' budget requests since FY 2011 have proposed consolidating or eliminating the TQP program to support additional flexibility for state and local efforts to recruit and retain effective teachers through the *Elementary and Secondary Education Act* (ESEA).²⁵ The programs authorized under part B of Title II have never received funding. Therefore, the Committee believes these programs should be removed from the statute as no previous Congress—regardless of which party controlled the majority—has funded their creation. The Committee agrees with the previous and current administrations' budget requests to support flexibility and believes the flexibility provided to states and school districts through the Supporting Effective Instruction program authorized under Title II of the ESEA is preferable to the existing system of small programs that cater to certain constituencies and have very limited benefit for classroom instruction. Further, the Committee supports reduced reporting burdens for states and institutions of higher education. As H.R. 4508 no longer includes teacher-specific program funding, it is not appropriate to continue federal reporting requirements specific to teacher preparation programs.

²⁵ *Innovation and Instructional Teams Fiscal Year 2011 Budget Request*, Department of Education (2011), Page F-72. <https://www2.ed.gov/about/overview/budget/budget11/justifications/f-ii.pdf>.

Apprenticeship grants

Since the last reauthorization of the HEA, the country has faced the worst economic recession in a generation, transforming the American workforce and the postsecondary education landscape. As previously noted, the American workforce faces a shortage of 6 million skilled workers.²⁶ Colleges and universities need to provide students the opportunity to gain the skills necessary to succeed in the workforce. The Committee believes an important way these skills can be successfully developed is through earn-and-learn programs, including apprenticeship programs, created in collaboration with business and industry. Apprenticeships are a general workforce development strategy to prepare individuals in a specific occupation using a combination of structured on-the-job learning and related, often classroom-based, instruction. They provide important earn-and-learn opportunities, while also preparing students for good-paying careers.

Based on the most recent National Household Education Survey of adult education, an estimated 2.1 million Americans participated in apprenticeships in 2006. Nevertheless, more needs to be done to address our nation's critical workforce needs. To help address those needs, the bill revamps and moves an existing competitive grant program for community colleges (previously referred to as the Strengthening Institutions Program in Title III) to Title II of the law in order to focus on increasing the availability of earn-and-learn programs for students.

H.R. 4508 expands student access to, and participation in, industry-led earn-and-learn programs, including apprenticeships, that lead to high-wage, high-skill, and high-demand careers by supporting partnerships between businesses and colleges. Under the legislation, grants are made available to eligible partnerships consisting of at least one business and one institution of higher education to develop or expand earn-and-learn programs of not more than two years in length that lead to a recognized postsecondary credential and require a 50 percent match from non-federal funds.

At an October 24, 2017, hearing, Dr. Scott Ralls, President of Northern Virginia Community College, described the importance of work-based learning programs:

Sometimes we have programs that aren't formal apprenticeship, but they are very much important because of that work-based learning. Because for many students coming out of our colleges and universities now, many of them, unlike when I was a student, they didn't work in high school. . . . So apprenticeship becomes even more important, I believe, for today's students. . . .²⁷

The Committee believes federal efforts to promote apprenticeships should provide employees and job creators with flexibility to innovate and develop high quality earn-and-learn programs without overreach from Washington. Mr. Mike Bennett, Vice President

²⁶ *Job Openings and Labor Turnover Summary*, U.S. Bureau of Labor Statistics (2017), <https://www.bls.gov/news.release/jolts.nr0.htm>.

²⁷ Testimony of Scott Ralls Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Development and the Committee on Homeland Security Subcommittee on Cybersecurity and Infrastructure Protection, *Joint Hearing on Public-Private Solutions to Educating a Cyber Workforce, October 25, 2017*, edworkforce.house.gov/calendar/eventsingle.aspx?EventID=402045.

of Cianbro, echoed this sentiment at a July 26, 2017, hearing, saying, “The programs must be industry and market driven and flexible in structure, scheduling, and duration to address the changes with an industry’s means, methods, and technology.”²⁸ According to analysis by the American Action Forum, the PROSPER Act will “lead to at least 733 apprenticeship programs and 87,000 new apprentices.”²⁹ The PROSPER Act provides eligible partnerships the needed flexibility to design programs that will meet the needs of their students as well as the workforce.

Title III—Institutional Aid

The PROSPER Act reauthorizes all minority-serving institution (MSI) programs, the Tribally Controlled Colleges and Universities (TCCU) program, and the Historically Black Colleges and Universities (HBCUs) program. According to the 2017 Eligibility Matrix released by the Department, there are nearly 700 institutions that are eligible to receive institutional aid, including HBCUs and TCCUs.³⁰ Of these eligible institutions, there are more than 400 institutions that are participating in Title III programs.³¹

The Committee believes it is important for these institutions to have the ability to choose what works best for their students and not be limited in the applicable services they can provide. The PROSPER Act makes meaningful reforms to the institutional aid programs by expanding the allowable uses to include activities such as establishment of community outreach programs, development of career-specific programs, dual or concurrent enrollment, and pay for success initiatives. The bill also explicitly allows institutions to award scholarships from their endowments and promotes institutional self-sustainability by requiring eligible institutions to develop a comprehensive plan that will result in institutions needing less institutional aid to offer the same services to their students. The Committee also believes that while these programs are intended to provide support to institutions and students, the goal is for these institutions to not be dependent on this funding.

In addition, the PROSPER Act establishes a requirement for participating schools to maintain a completion rate of at least 25 percent in order to be eligible for additional federal dollars. The institutional aid program for MSIs was created in the *Higher Education Amendments of 1986* with the intention to bolster institutions with high minority and low-income student concentrations. In subsequent reauthorizations, Congress added various allowable uses to provide services that increased academic success. These institutions have now been getting a special subset of money with the goal of helping them serve a particular student population. The PROSPER Act’s inclusion of a minimum graduation threshold signals to institutions that the federal government and taxpayers

²⁸ Testimony of Mike Bennett Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Development., *Hearing on Expanding Options for Employers and Workers Through Earn-and-Learn Opportunities*, July 26, 2017, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=401905>.

²⁹ Ben Gitis, Chad Miller, Rahee Jung, *Earn and Learn: A Review of a Proposal to Expand Apprenticeships in High-Growth Industries*, American Action Forum (Feb. 5, 2018), <https://www.americanactionforum.org/research/earn-learn-review-proposal-expand-apprenticeships-high-growth-industries>.

³⁰ *Eligible Institutions for Title III and Title V Programs*, Department of Education (2017), <https://www2.ed.gov/about/offices/list/ope/dues/eligibility.html#el-inst>.

³¹ *Id.*

want to ensure the funds are helping to further the completion goal. The Committee believes this rate should be met by most institutions currently receiving funds as the rate will include more than just first-time, full-time students. A 2017 American Council on Education report conducted a study using data from the National Student Clearinghouse (NSC)—beyond what is collected by the federal government—to examine how students who began attending an MSI in 2007 progressed through higher education.³² The report found that completion rates for MSIs were higher than the federal graduation rate suggests. In fact, when it comes to students who completed within 150 percent and 200 percent of normal time for completion, the study found the following:

- The total completion rate for public four-year HBCUs was 43 percent, which increased to nearly 62 percent for students who enrolled exclusively full time, compared to a federal graduation rate of 34.1 percent.
- The completion rate was 66.7 percent when looking at exclusively full-time students at private four-year HBCUs, compared to a federal graduation rate of 43.9 percent.
- The completion rate for exclusively full-time students at public four-year Predominantly Black Institutions was nearly 52 percent compared to a federal graduation rate of 16.6 percent. The total completion rate for all students was 34.1 percent.
- The completion rate for exclusively full-time students at public two-year Hispanic-Serving Institutions (HSIs) was 40.3 percent, compared to the federal graduation rate of 25.5 percent. The total completion rate for public four-year HSIs was approximately 50 percent and was 74.1 percent for exclusively full-time students, compared to a federal graduation rate of 42.7 percent.
- The completion rate for exclusively full-time students at public four-year Asian American and Native American Pacific Islander-Serving Institutions was nearly 88 percent according to NSC data, compared to a federal graduation rate of 66.2 percent.

Under the PROSPER Act, the completion rate is calculated by counting a student as completed if the student graduates within 150 percent normal time for completion or if the student transferred from a program that provided substantial preparation within 150 percent normal time for completion. Because the PROSPER Act proposes to collect student data beyond first-time, full-time, the completion rate will include students who are full-time and less than full-time. The Committee believes it is important to push institutions to graduate their students and equip them for the workforce. When students complete their education, they are more likely to obtain a higher paying job and pay back their loans. A 25 percent completion rate requirement coupled with the ability to develop career specific programs will accomplish this goal without negatively impacting institutions or students.

Title IV—Student Assistance

The federal government's decades long pursuit to make college affordable for all Americans has given rise to a convoluted maze of

³² Lorelle L. Espinosa, Jonathan M. Turk, and Morgan Taylor, *Pulling Back the Curtain: Enrollment and Outcomes at Minority Serving Institutions*, American Council on Education (2017), <http://www.acenet.edu/news-room/Pages/Pulling-Back-the-Curtain-Enrollment-and-Outcomes-at-Minority-Serving-Institutions.aspx>.

federal student aid programs, including several grant programs, six different types of student loans, nine repayment plans, eight forgiveness programs, and 32 deferment and forbearance options. Ms. JoEllen Soucier, a financial aid administrator for the Houston Community College System, testified she has “seen the complexity of the student aid process increase greatly over the past 25 years.” She went on to say, “[T]he entire process from application to repayment has become an intricate puzzle that only a seasoned professional can navigate and understand.”³³

Unfortunately, this layered approach to education financing has resulted in unprecedented levels of student debt and has created more burden than opportunity for students. The proof is in the numbers. Average debt per borrower has increased 38 percent since 2008, and families collectively have taken on more than a trillion dollars in federal student loans.³⁴ At the same time, the federal investment has never been higher. Over the last 10 years, the total volume of federal grants has risen 102 percent and total volume of federal loans has increased 31 percent. In the 2016–17 academic year, the federal government spent more than \$123 billion in grants and loans authorized by the HEA.³⁵

The complicated system of federal aid programs is difficult to navigate for many families and has contributed to the rising cost of college, making a postsecondary education a risky gamble for students. The Teacher Education Assistance for College and Higher Education (TEACH) Grants illustrate this point. These grants are given to students who agree to teach for four years at a school or educational service agency that serves students from low-income families. If a graduate who received a TEACH grant does not complete the service obligation, the grant converts to a loan. Graduates cited the lack of transparency and paperwork burden as some of the reasons for their grant to loan conversions. The Committee believes that the terms of federal financial aid should be clear and comprehensible. In its FY 2018 budget, the Department estimated that 65 percent of TEACH grants will convert to loans.³⁶ The program’s high grant to loan conversion rate leaves too many students worse off, which is why these grants are eliminated in H.R. 4508.

At a November 13, 2013, hearing, Dr. Sandy Baum, Senior Fellow at the Urban Institute, testified about the qualities that would encompass an effective student aid system:

Effective student aid requires more than dollars. The aid program must be designed so that that the students who have the most potential to benefit from the program know

³³Testimony of JoEllen Soucier Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Development, *Hearing on Improving Federal Student Aid to Better Meet the Needs of Students*, March 21, 2017, https://edworkforce.house.gov/uploadedfiles/soucier_written_testimony.pdf.

³⁴*Federal Student Loan Portfolio Summary*, Federal Student Aid (2017), <https://studentaid.ed.gov/sites/default/files/fsawg/datacenter/library/PortfolioSummary.xls> (last visited Jan 10, 2018).

³⁵*Trends in Student Aid 2017*, CollegeBoard (Oct. 2017), available at https://trends.collegeboard.org/sites/default/files/2017-trends-student-aid_0.pdf.

³⁶*U.S. Department of Education TEACH Grants Fiscal Year 2018 Budget Proposal*, Department of Education (2017), <https://www2.ed.gov/about/overview/budget/budget18/justifications/p-teach.pdf>.

about it, understand it, can predict and count on its benefits, and can access it without undue difficulty.³⁷

The Committee agrees that it should not take a degree to figure out how to pay for a degree and that the simplification of the federal student aid process will be beneficial to all students. The PROSPER Act's federal student aid simplification to a one grant, one loan, one work-study framework promotes access, affordability, and completion. A simplified federal student aid framework is the key to unlocking a thriving future for many generations. Ms. Kristin Conklin, a founding partner of HCM Strategists, summarized the urgency and importance of simplifying federal student aid at a March 21, 2017, hearing, saying, "A simplified federal financial aid system is part of the solution for a nation that needs many more skilled graduates, a stronger middle class, and more opportunity."³⁸ Ms. Conklin ended her testimony by saying:

Federal financial aid is the foundation for college affordability in America. Decisions today to simplify the federal financial aid programs and remove the barriers to on-time completion can pave the way for more states, communities, institutions and employers to build upon this federal foundation and expand affordable pathways for students.³⁹

The Committee wants to transform this vision into reality. Students deserve a streamlined system that is easy to understand so they can responsibly finance their college careers, and contemporary students need a 21st century student aid system that accommodates their lifestyles and chosen courses of study. The reforms in H.R. 4508 that create a one grant, one loan, one work-study framework improve America's postsecondary education system for students, parents, institutions, and taxpayers.

Pell Grants

The Pell Grant program is the cornerstone of federal student aid for low-income students and the single largest source of postsecondary student aid. In Fiscal Year 2017, the program provided approximately \$28.5 billion to approximately 7.5 million students.⁴⁰ The Committee recognizes the important role this program plays in providing access to postsecondary education for low-income students. However, in recent years, the program has experienced tremendous growth in cost, almost tripling from \$12.8 billion⁴¹ in 2006 to \$35.7 billion in 2010.⁴² The rapid growth of the program was caused by the recent economic downturn that led to increased student enrollment, eligibility expansions, and an increase in the maximum award. Program costs have since dropped to \$28.5 billion

³⁷Testimony of Sandy Baum Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Development, *Hearing on Keeping College Within Reach: Simplifying Federal Student Aid, November 13, 2013*, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=348909>.

³⁸Testimony of Kristen Conklin, *Hearing on Improving Federal Student Aid to Better Meet the Needs of Students*, *supra* note 33.

³⁹*Id.*

⁴⁰*Pell Grant Program, Discretionary: Cumulative Shortfall/Surplus—CBO's June 2017 Baseline*, Congressional Budget Office (June 2017), <https://www.cbo.gov/sites/default/files/recurringdata/51304-2017-06-pellgrant.pdf>.

⁴¹*Student Financial Assistance Fiscal Year 2014 Budget Request*, Department of Education, <https://www2.ed.gov/about/overview/budget/budget14/justifications/q-sfa.pdf>.

⁴²*Student Financial Assistance Fiscal Year 2018 Budget Request*, Department of Education, <https://www2.ed.gov/about/overview/budget/budget18/justifications/o-sfa.pdf>

in FY 2017,⁴³ leading to a current cumulative surplus of \$8.6 billion.⁴⁴ But without reforms, that surplus will diminish as program costs are projected to rise, leading to a projected annual shortfall beginning in FY 2020.⁴⁵ Therefore H.R. 4508 reauthorizes the program through Fiscal Year 2024, with key reforms to ensure the program remains available to future generations.

The Committee believes that not extending the annual inflationary increases to the mandatory portion of the Pell Grant will help put the program on a sustainable path for the future. Additionally, H.R. 4508 requires the Secretary to report annually to the authorizing committees on the cost of the Pell Grant program to better ensure Congress is aware of any growth in cost of the program in a timely manner.

Adding to the cost of the Pell Grant program is the fact the majority of full-time students do not graduate on time. Today, the traditional “four-year” degree is much more often a five- or even a six-year degree for a majority of students. This means that rather than completing on time using only four years’ worth of a Pell Grant, these students are also using the grant for a fifth and sixth year of undergraduate education, which costs the federal government approximately an additional \$12,000 per student eligible for the maximum award. This not only increases the cost of the program, it is also a significant cost to the student in terms of additional tuition and lost wages. A recent report from Complete College America, “Four-Year Myth,”⁴⁶ shows the cost to a typical student taking an extra year to complete:

- At public two-year institutions, five percent of full-time students pursuing associate degrees graduate on time. An extra year costs \$15,933 in tuition and fees, room and board, books and supplies, transportation and other expenses. In addition, students give up approximately \$35,000 in lost wages by graduating late. The total cost: \$50,933.

- At public four-year institutions, 19 percent (non-flagship) and 36 percent (flagship/very high research) of full-time students graduate on time. An extra year costs \$22,826 in tuition and fees, room and board, books and supplies, transportation and other expenses. In addition, students give up \$45,327 in lost wages by graduating late. The total cost: \$68,153.⁴⁷

Current federal student aid policies are also doing little to encourage students to complete on time. Typically, in order to graduate in two or four years, a student must take at least 15 credits per semester or 30 credits over the year; however, a student is only required to take 12 credits a semester to be considered full-time and receive the maximum Pell Grant award for which they are eligible. A student taking only 12 credits a semester and 24 credits a year will be unable to graduate on time. According to Complete College America, “Each extra semester comes with a cost, and the longer it takes, the more life gets in the way—decreasing the likeli-

⁴³ Congressional Budget Office, *supra* note 40.

⁴⁴ *Id.*

⁴⁵ Calculation based on CBO June 2017 baseline and current level appropriations going forward.

⁴⁶ *Four-Year Myth: Make College More Affordable. Restoring the Promise of Graduating on Time*, Complete College America (2014), <https://completecollege.org/wp-content/uploads/2017/05/4-Year-Myth.pdf>.

⁴⁷ *Id.*

hood students will ever earn their degree. . . . The result: students graduate late, if at all, and rack up unnecessary time and debt in the process.”⁴⁸

H.R. 4508 encourages Pell-eligible students to complete on-time and with less debt by offering a \$300 bonus per award year to students enrolling in a greater than full-time workload that will lead to the completion of 30 or more credits or the equivalent coursework for the award year. For the typical student, this will require taking at least 15 credits per semester to be eligible to receive the Pell Grant Bonus. The bonus amount will be in addition to the student’s scheduled award, and all students receiving a Pell Grant that are enrolled in the required amount of coursework will be eligible to receive the bonus. However, a student cannot receive any portion of the bonus in payment periods for which the student is also receiving Pell Grant funds through the year-round Pell Grant authority.

The Pell Grant Bonus is based on a proposal from the National Association of Student Financial Aid Administrators (NASFAA) called “Super Pell.” NASFAA’s report, “Reimagining Financial Aid to Improve Student Access and Outcomes,” discusses the benefits of a bonus amount of Pell Grant dollars for on-time enrollment:

An immediate financial incentive in the form of extra Pell dollars (i.e., Super Pell), on top of a full-time Pell Grant scheduled award for enrollments greater than 12 credit hours, would have the effect of encouraging students to complete their academic programs more quickly. Depending on how it is structured, Super Pell could also lead to fewer lifetime Pell dollars being spent on these students because students would receive a small amount of extra Pell funds for each term at greater than 12 hours, rather than an extra term or year of a full scheduled award. Pell-eligible students who complete a baccalaureate degree within four years rather than longer would also likely incur less student loan debt. Even for the minority of schools that charge higher amounts for greater workloads, the marginal higher costs due to enrollment greater than 12 credits are certainly less than the costs of additional terms of enrollment, not to mention the opportunity costs of enrollment in college.⁴⁹

The Committee believes on-time completion is a key component of reducing the cost of college for students and the cost of the Pell Grant program for taxpayers. While the PROSPER Act makes bold reforms to help improve completion, the Committee also urges colleges and universities to take action to facilitate on-time completion for their students.

TRIO

The PROSPER Act reauthorizes the TRIO programs that were created to serve students from disadvantaged backgrounds by providing services to increase postsecondary access and completion.

⁴⁸ *15 to Finish*, Complete College America, <https://completecollege.org/strategy/15-to-finish/>.

⁴⁹ *Reimagining Financial Aid to Improve Student Access and Outcomes*, NASFAA (2013), <https://www.nasfaa.org/uploads/documents/ektron/67439aeb-419d-4e9c-9035-4278d0bbbed61/d19119911e864c39abb555e99f130d122.pdf>.

These programs currently serve more than 800,000 students with more than 2,500 programs operating across every state.⁵⁰ While these programs seem to serve a large population, in actuality millions of students go unserved by these programs. For fall 2017, the National Center for Education Statistics reported total enrollment numbers of 50.7 million students in public elementary and secondary schools and 20.4 million students in institutions of higher education,⁵¹ meaning approximately only 1 percent of all students are currently being served by a TRIO program.

The data is clear there are many more students in need of support services than are currently being served by TRIO. Therefore, the Committee believes there should be a set aside of no less than 10 percent of TRIO funds to allow new applicants that have not previously received a TRIO grant to meet the needs of low-income students currently underserved in postsecondary education and to address the needs of low-income students in our secondary schools. Setting aside funds will ensure new applicants have the opportunity to take advantage of the services offered by these programs. If there are not enough qualified new applicants to utilize the set aside, the funds would be returned to the general TRIO fund for additional future awards.

The Committee also believes entities and partnerships seeking to participate in the TRIO programs should provide a 20 percent match as a condition of participation. Throughout the HEA, matching requirements are placed on entities seeking to participate in certain grant programs as a way to promote institutional accountability and sustainability. This matching requirement allows cash or in-kind donations with the ability to accrue such matches over the duration of the grant period. The value of in-kind donations must be calculated according to applicable Office of Management and Budget circulars and Department General Administrative Regulations, must be verifiable from the records kept by the grantee, and must show how the value of such contribution was derived. This match will allow the programs to expand their reach to serve more students seeking services.

These programs should also ensure students are prepared to complete college-level coursework. Therefore, the PROSPER Act amends the required services for the Talent Search and Upward Bound program to mandate that grantees offer remedial education services where necessary. Addressing remedial education should be a priority of the Department, as too many students graduate from secondary school unprepared for postsecondary-level work. A 2016 NCES report concluded that among students beginning postsecondary education in 2003–04, “68 percent of those starting at public 2-year institutions and 40 percent of those starting at public 4-year institutions took at least one remedial course during their enrollment between 2003 and 2009.”⁵²

In addition, the PROSPER Act requires the Secretary to set aside no less than 10 percent of funds for innovative measures pro-

⁵⁰ *TRIO Projects by State: FY 2016*, Council for Opportunity in Education (March 13, 2017), [http://www.coenet.org/files/bulletin_board-TRIO Projects by State FY 2016 031317.pdf](http://www.coenet.org/files/bulletin_board-TRIO%20Projects%20by%20State%20FY%202016%20031317.pdf).

⁵¹ *National Center for Education Statistics Fast Facts: Back to School Statistics*, National Center for Education Statistics, <https://nces.ed.gov/fastfacts/display.asp?id=372>.

⁵² *Remedial Course-taking at U.S. Public 2- and 4-Year Institutions: Scope, Experience, and Outcomes: Statistical Analysis Report*, National Center for Education Statistics Institute of Education Sciences, Department of Education (2016), <https://nces.ed.gov/pubs2016/2016405.pdf>.

moting postsecondary access and completion for low-income students. The program requires applicants to use evidence-based approaches that increase access to and completion of postsecondary education. These grants will be awarded in a three-tier approach, and grantees will independently evaluate their programs and submit an annual report to the Secretary. The Committee believes the ability for any institution to use evidence-based approaches to increase access and completion of postsecondary education will best serve the student because these new methods will be tested and proven to have positive outcomes. Instead of restricting institutions on how they can meet student needs, this allows for innovative ways to tailor services to students who most need assistance.

Gaining Early Awareness and Readiness for Undergraduate Program

The Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP) program provides six- or seven-year grants to assist low-income students in completing secondary school and accessing postsecondary education. The PROSPER Act reforms and emphasizes the importance of college readiness throughout the program.

The Committee believes any new funding in the program should be administered through a new competition to solicit new grantees. The PROSPER Act clarifies new competitions should be conducted by requiring the Secretary to make new awards to eligible entities. The Committee also believes there should be one grant per state, which has been the policy for the program since 1999. The PROSPER Act codifies the long standing policy to prohibit states from receiving multiple awards.

In addition, the PROSPER Act provides greater flexibility to grantees to structure their scholarship programs based on certain eligibility criteria. The Committee supports giving states the ability to structure a scholarship program, with the approval of the Secretary, to award funds to students based on criteria such as financial need and satisfactory academic progress.

Loan discharges

The HEA permits student loan borrowers to submit a closed school, false certification, or unpaid refund discharge application to the Secretary. If a discharge application is approved by the Secretary, a borrower's loan is cancelled and the borrower is no longer obligated to make payments on the loan. A borrower can also receive reimbursement on amounts paid voluntarily or through enforced collection on the loan pending approval by the Secretary.

The PROSPER Act seeks to clarify the application process for closed school, false certification, or unpaid refund discharge situations. The bill requires individual borrowers to actively submit an application and does not allow the Secretary to approve a discharge application for borrowers who do not submit an application. The bill also codifies current regulations regarding the discharge process.

Further, the Committee believes it should be the responsibility of the borrower to submit an application for a discharge regardless of the type of discharge. Because the borrower knowingly enters

into a contractual agreement to pay back the loan amount, the borrower should knowingly request to have the loan terminated.

Federal Work-Study

Only 13 percent of Americans agree college graduates in this country are well prepared for success in the workplace.⁵³ One of the few successful programs in the HEA is the Federal Work-Study (FWS) program, which has been shown to increase graduation rates and job placement among participants, particularly low-income students.⁵⁴ Building on the success of the program, it is time to update and expand the FWS program to reflect today's economic needs and the challenges that students and workers currently face.

Since the last reauthorization of the HEA in 2008, our country weathered the worst economic recession in a generation, forever transforming the American workforce and the postsecondary education landscape. Mr. Kevin Gilligan, Chairman and Chief Executive Officer at Capella Education Company, explained the gap between the higher education system and the workforce at a hearing on February 7, 2017:

While our current system of higher education is the envy of the world, it is struggling to keep up with the pace of change in our evolving economy. Simply put, it creates too much debt and isn't creating a workforce with the skills required to drive economic growth and lift up the many American's struggling for upward mobility.⁵⁵

The FWS program has the potential to solve the problem highlighted by Mr. Gilligan, but federal requirements in the program stifle interaction between industry and college campuses and set up a generation of Americans for failure. For instance, today's participants in FWS can only work part-time; no more than 25 percent of an institution's FWS dollars can flow to students working in the private-sector; and the federal match for FWS students working in private-sector companies is 25 to 40 percent lower than other sectors of employment. These workforce development restrictions in FWS have real world consequences for our nation. At an October 24, 2017, hearing, Mr. David Jarvis, Security and Chief Information Officer lead at the IBM Institute for Business Value, described how these restrictions harm IBM's ability to prepare students for cybersecurity careers. Mr. Jarvis stated:

Eliminating the [FWS] restrictions would increase the flexibility of students and institutions of higher education to use their federal work-study allocations for part- and full-time off-campus cooperative education and other work-study purposes. Rather than forcing work-study grants to be used for dining hall jobs, students could get internships that were relevant to their majors and provided critical

⁵³ Brandon Busteed, America's "No Confidence" Vote on College Grads' Work Readiness, GALUP News (April 24, 2015), <http://news.gallup.com/opinion/gallup/182867/america-no-confidence-vote-college-grads-work-readiness.aspx>.

⁵⁴ Judith Scott-Clayton & Veronica Minaya, *Should student employment be subsidized? Conditional counterfactuals and the outcomes of work-study participation*, 52 *Economics of Education Review* 1–18 (2016), <http://www.sciencedirect.com/science/article/pii/S0272775715000825>.

⁵⁵ Kevin Gilligan Testimony Before the Committee on Education and the Workforce, *Hearing on Challenges and Opportunities in Higher Education*, February 7, 2017, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=401221>.

work experience and skills. IBM urges Congress to return flexibility to students and higher education institutions in their use of work-study funds.⁵⁶

This weak link between FWS and careers is not the only design downfall of the program. The FWS funding distribution formula rewards high-tuition colleges and universities with historic participation in the program at the expense of other institutions that serve low-income students with high-need. Groups as wide-ranging as Achieving the Dream, Business Roundtable, Center for Law and Social Policy, National Skills Coalition, and the U.S. Chamber of Commerce have called upon lawmakers to address these funding and career-orientation issues.⁵⁷ The FWS program has the potential to help millions of students pay for college while learning employability skills, and reinvigorate America's workforce in the 21st century.

To refocus the FWS program on career goals of students, H.R. 4508 clarifies the purpose of the program and sets a definition of "work-based learning." In doing so, the Committee recognizes all education is career education. Students pursue postsecondary education to develop the necessary skills to find a job. This is the objective held in common by both the Ivy League student pursuing a psychology degree and the student at the local community college learning how to repair automobiles. Both individuals provide invaluable contributions to society, and both students deserve equal support under the FWS program.

Colleges and universities should provide their students both on and off-campus opportunities to develop the skills necessary to succeed in the workforce. The PROSPER Act makes the FWS program work for students and opens the door for robust private sector employment by eliminating the arbitrary 25 percent cap, applying the same federal share to all types of employment, and doubling the authorization for the job location and development program. This critical program allows institutions to use these resources to locate and develop work-based learning jobs for students. The Committee considered and adopted an amendment offered by Rep. Ron Estes (R-KS) to include apprenticeship opportunities as eligible positions allowable under the program. Together, these policy changes will put students on track to establish successful careers and drive upward mobility for all Americans.

Enhanced funding and a targeted funding distribution formula supplement the renewed emphasis on workforce development in FWS. The PROSPER Act increases the authorization of FWS to more than \$1.7 billion to account for not reauthorizing the Federal Supplemental Educational Opportunity Grant program as part of the PROSPER Act's move to a simplified system. The Committee addresses the poorly-targeted funding formula by winding down the base-guarantee over five years and revising the fair-share formula

⁵⁶ David Jarvis Testimony, *Joint Hearing on Public-Private Solutions to Educating a Cyber Workforce*, *supra* note 27.

⁵⁷ Letter from Achieving the Dream, Business Roundtable, Council for Adult and Experiential Learning, Center for Law and Social Policy, Committee for Economic Development, Jobs for the Future, National Association of System Heads, National Skills Coalition, New America, Skills for America's Future, State Higher Education Executive, Officers' Association, U.S. Chamber of Commerce, & Young Invincibles to The Honorable Lamar Alexander & The Honorable Patty Murray (April 26, 2017), https://na-production.s3.amazonaws.com/documents/FWS_Letter_to_Senate_HELP_FINAL_TJm79TC.pdf.

to include student need and Pell Grant dollars. The updated fair share formula no longer rewards high-tuition institutions, and instead awards limited federal resources to colleges and universities that enroll the lowest-income students. To continue with the PROSPER Act's goal to improve student completion, the bill further rewards "improved institutions" or schools with strong or improved Pell Grant recipient completion rates compared to peer institutions. This funding reservation provides a positive incentive for schools to improve student completion, and the competition to be an improved institution will lead to better services for low-income students. These formula changes will allocate money to institutions equitably and will allow institutions to tailor their FWS program to the unique needs of students, the school, and local workforce.

H.R. 4508 equips institutions with the tools and resources needed to engage students and businesses in forging a healthy economy. This revitalized FWS program will help low-income students gain access to high-quality work opportunities and set our students and nation up for long-term success.

Borrower defense

Borrower defense to repayment is a process that allows a student loan borrower to submit a defense to repayment application to the Secretary, so they can be relieved of further payments on their student loan, reimbursed of payments already made, or both. The Secretary reviews the applications and has the authority to determine the type and amount of relief, if any. A defense to repayment claim differs from a closed school, false certification, or unpaid refund discharge application by providing an avenue for borrowers to seek relief due to institutional misconduct, including acts or omissions by an institution. According to a report released by the Department's Office of Inspector General before the closure of Corinthian Colleges in April 2015, there were five defense to repayment applications submitted since the 1995 final regulations went into effect.⁵⁸ After Corinthian announced the closure of all of its institutions, borrowers submitted over 95,000 applications.⁵⁹

Due to the drastic increase in the number of applications submitted, the Secretary established a taskforce with the mission to create an efficient internal process for reviewing defense to repayment applications. The Secretary also established a negotiated rulemaking committee and created a final rule in 2016. While this rule was meant to benefit the student, it caused significant concerns due to its overreach, and it cost the taxpayers an estimated more than \$16 billion to implement. With these concerns and high expense, as well as a change in the administration, the 2016 final rule was delayed, and another negotiated rulemaking committee was established.

The Committee believes borrowers should have clarity about their student loan rights and these rights shouldn't be left to the whims of different administrations. The Committee believes all borrowers should be responsible for articulating why they should be granted relief and provide evidence in support of such relief. The PROSPER Act clarifies the borrower defense process by requiring

⁵⁸ *Federal Student Aid's Borrower Defense to Repayment Loan Discharge Process*, U.S. Department of Education Office of Inspector General (Dec. 8, 2017).

⁵⁹ *Id.*

individual borrowers to submit an application for relief. To help borrowers, the bill allows for defense to repayment applications to be submitted if there is a non-default, favorable contested judgment in a court, breach of contract, or substantial misrepresentation by an institution. To eliminate confusion, the borrower and the institution must be informed at every step of the process. The Secretary is required to administer a mandatory administrative forbearance once applications are received, and the Secretary is required to process all applications in a timely manner and submit a report to Congress outlining the internal processes. The Committee has concluded borrowers should not be required to make payments of any kind on their loan while awaiting a final decision from the Secretary on their application, and the institution against which the borrower is submitting a claim should be informed throughout the process. Both parties should have the ability to submit new evidence for a reconsideration, but the Committee believes that this process should only happen once. If the borrower is dissatisfied with the final result, the borrower is able to seek a review under the *Administrative Procedure Act of 1965*.

Student loans

The federal student loan system consists solely of the Direct Loan (DL) program, as the FFEL program expired in 2010 and the campus-based Perkins Loan program expired in September 2017. In the DL program, the U.S. Department of the Treasury (the Treasury) provides the capital to disburse loans. The Department transfers the money from the Treasury to schools on behalf of the student, and borrowers repay obligations to the Department via contractors. The following programs are included under the DL umbrella: subsidized undergraduate Stafford Loan, unsubsidized undergraduate Stafford Loan, unsubsidized graduate Stafford Loan, graduate PLUS loan, and parent PLUS loan. Each program has different eligibility requirements and different interest rates. In 2015–16, the federal government disbursed over \$74.2 billion in loans to undergraduate students and almost \$21 billion to graduate and parent borrowers.⁶⁰

In addition to the many types of loans offered above, the federal government also overwhelms borrowers with nine different repayment plans and dozens of deferment and forbearance options. The different plans include a standard repayment over 10 years, graduated repayment, extended repayment, income contingent repayment, original income-based repayment (IBR), IBR for New Borrowers, Pay As You Earn (PAYE) repayment, Revised Pay As You Earn, and alternative repayment. Each option contains complicated terms and conditions. The sheer number of plans leads to confusion for borrowers.

Furthermore, the plans are proving to be ineffective at helping borrowers avoid default. This sad truth was confirmed by Mr. Jason Delisle, Resident Fellow at the American Enterprise Institute (AEI), at a May 24, 2017, hearing. He stated:

Despite the ever-expanding benefits, loan types, and repayment options, delinquency and default rates suggest that the current system is not working. Over 8 million peo-

⁶⁰ CollegeBoard, *supra* note 35.

ple are in default on their federal student loans today, a number that has continued to grow year after year, even though the country is now many years into an economic expansion with low rates of unemployment.⁶¹

The income-driven repayment plans offer different terms for loan forgiveness for different sets of borrowers, picking winners and losers depending on when the student took out the loan. For example, original IBR caps monthly payments at 15 percent of discretionary income, forgives the remaining balance after 25 years of repayment, and is available to those who borrowed prior to July 1, 2014. New IBR caps monthly payments at 10 percent of discretionary income, forgives the remaining balance after 20 years of repayment, and is available to new borrowers on or after July 1, 2014. PAYE has the same repayment and forgiveness terms of new IBR but is available to new borrowers on or after October 1, 2007, who also received a loan on or after October 1, 2011. The Committee believes all future borrowers should receive the same deal from the government, and should not be punished or rewarded simply because of when they chose to attend college.

After hearing from students, parents, and other stakeholders about the confusion caused by the complex federal financial aid system, the Committee entered into this HEA reform effort with the goal of simplifying and improving the student loan system while continuing to promote student access to and completion of postsecondary education. Taxpayers have financed over \$1 trillion in student loans, and it is critical to evaluate why the government treats students differently and how the program can be improved to benefit all students.

The PROSPER Act sets forth a new ONE Loan structure with reasonable and easily understandable terms and conditions to support future borrowers while continuing to honor the federal government's agreement with millions of college graduates working to repay their current loans. ONE Loans will eliminate borrower confusion, provide an affordable path to repayment, and help millions of Americans recognize their dream of earning a postsecondary degree and finding a good-paying career.

A. Direct Loans

To provide for the orderly transition to the ONE Loan program, the PROSPER Act does not terminate the Department's authority to make loans under the DL program until the end of FY 2024. Beginning July 1, 2019, all new borrowers will borrow ONE Loans, but borrowers with outstanding undergraduate debt prior to July 1, 2019, may continue undergraduate borrowing through the DL program through FY 2024. Likewise, individuals with outstanding graduate debt and parents who have already borrowed on behalf of a dependent child by July 1, 2019, may continue to borrow through the DL program through FY 2024. The terms and conditions of these loans, including all the repayment plans and forgiveness options, will continue to exist for that loan beyond FY 2024. The Committee recognizes that consumers entered college with certain

⁶¹Testimony of Jason Delisle Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Development, *Hearing on Empowering Students and Families to Make Informed Decisions on Higher Education, May 24, 2017*, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=401652>.

assumptions, and by grandfathering in existing borrowers, we allow consumers to complete their schooling without renegeing on our promise.

B. Perkins Loans

The Perkins Loan program expired at the end of FY 2017. There has been bipartisan support from Congress and the last two administrations to let the program end, giving students and institutions ample time to make other financial arrangements.⁶² Since 2015, all Perkins Loan institutions have been required to inform students the program would expire in 2017. Perkins Loans account for less than 1 percent of all new federal loans disbursed each year.⁶³ Despite a low participation rate, Perkins Loans create unnecessary confusion for borrowers during repayment because the bills are due at a different time and are owed to a different entity than other federal loans. Moreover, Perkins Loans do not necessarily offer better terms for borrowers. Interest rates for Perkins Loans have been higher than Direct Loans over the last few years and, unlike Direct Loans, Perkins Loans are not eligible for income-based repayment plans. Perkins Loans benefit only certain colleges and universities, and only certain students at those schools receive the aid. The end of the Perkins Loan program was the first crucial step towards moving to a unified ONE Loan structure.

The Committee sought to help those institutions operating Perkins Loans programs achieve a successful programmatic conclusion. The PROSPER Act allows institutions to schedule Perkins Loan program close-out audits in conjunction with their annual financial and compliance audit. Additionally, the bill codifies institutions' option to assign loans to the Treasury on an individual basis. Most importantly, H.R. 4508 clarifies institutions will receive any interest collected on Perkins Loans that exist because the institution made a loan to itself that the college has subsequently repaid in full. These policy changes reflect the Committee's good-faith effort to provide for the orderly wind down of the Perkins Loan program. To accommodate the end of the Perkins Loans, the ONE Loan program also incorporates a few policy advantages from the Perkins Loan program.

C. ONE Loan structure

The ONE Loan program operates similar to the DL program. Both are direct lending programs where the Treasury provides the capital to disburse loans and the Department transfers the money from the Treasury to schools on behalf of the student. The authority, funding, selection of institutions, and the program participation agreements are similar, and in many cases identical, to the procedures established in the DL program. It is not the Committee's intent to disrupt the current direct lending system. The new ONE Loan system offers one unsubsidized loan per category of borrower: an undergraduate loan, a graduate loan, and a parent loan. The ONE Loan program is effective for all new borrowers as of July 1,

⁶² *Student Aid Overview: Fiscal Year 2017 Budget Request*, Department of Education (2016), <https://www2.ed.gov/about/overview/budget/budget17/justifications/n-sao.pdf> and *Section II. D. Student Financial Assistance, Fiscal Year 2008 Budget Summary*, Department of Education (2007), <https://www2.ed.gov/about/overview/budget/budget08/summary/edlite-section2d.html>.

⁶³ *Fiscal Year 2018 Budget Summary and Background Information*, Department of Education, <https://www2.ed.gov/about/overview/budget/budget18/summary/18summary.pdf>.

2019. The loans are all unsubsidized, meaning interest accrues while the borrower is in school, to limit the federal government's role in contributing to higher college costs. Independent analyses have found subsidized loans increase tuition by about 60 cents on the dollar.⁶⁴

Dramatically simplifying the loan system will assist students and families in deciding the best route to financing their education. During the March 21, 2017, hearing, Ms. Conklin praised the idea of a ONE Loan system, saying “This one loan system would eliminate much borrower confusion, thus helping students focus on managing college costs, repaying with interest based on actual income, and considering examples of average incomes for their careers when making appropriate borrowing choices.”⁶⁵

One critical difference between the DL program and ONE Loans, which will support borrowers in managing college costs, is the disbursement of the loan. Currently, federal student aid first covers the recipient's upfront cost of tuition and fees, and then the remaining balance is disbursed to the student in one or two large payments. The PROSPER Act revolutionizes aid disbursal for both grants and loans by mandating aid distribution on a monthly or weekly basis, like a paycheck, at the discretion of the institution. Large upfront balances mislead students and make planning for expenses difficult. Disbursing aid in regular installments is cost effective, helps students manage their limited dollars while enrolled in school, and instills the value of treating college as a job, where regular attendance is expected and rewarded. By providing institutions with discretion here, the institution, rather than the federal government, can ensure the disbursements are made in a manner that best meets the needs of a student. For example, an institution may provide a bigger disbursement up front to accommodate increased costs that students may incur at the beginning of the semester, such as textbook costs or course fees.

D. ONE Loan limits

Aid like a paycheck is not the only way the PROSPER Act encourages responsible borrowing habits. Current law provides for annual and aggregate loan limits for undergraduate students. Congress enacted these limits to prevent excessive student loan debt and protect taxpayers against default. As the Committee considered the HEA reform package, there was significant debate on what loan limits should be for ONE Loans. Dr. Matt Chingos, Senior Fellow at the Urban Institute, testified at a March 21, 2017, hearing that the “federal loan program should focus on undergraduate students and rein in excessive federal borrowing by graduate students.”⁶⁶ College costs continue to rise, and as such, students and families rely more and more on student loans to assist them in pursuing their education. The Committee believes the federal government is contributing to unmanageable debt burdens,

⁶⁴David O. Lucca, Taylor Nadauld, & Karen Shen, *Credit Supply and the Rise in College Tuition: Evidence from the Expansion in Federal Student Aid Programs*, Federal Reserve Bank of New York Staff Reports (July 2015, Rev. Feb. 2017), https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr733.pdf.

⁶⁵Testimony of Kristen Conklin, *Hearing on Improving Federal Student Aid to Better Meet the Needs of Students*, *supra* note 33.

⁶⁶Testimony of Matt Chingos, *Hearing on Improving Federal Student Aid to Better Meet the Needs of Students*, *supra* note 33.

particularly at the parent and graduate level. The federal government has a responsibility to balance the competing objectives of access and affordability, and the reforms in H.R. 4508 strike this balance.

The PROSPER Act's ONE Loan program continues the HEA's historical mission of encouraging access to postsecondary education. H.R. 4508 increases the undergraduate loan annual limit for both dependent and independent students by \$2,000, an amount equal to the average undergraduate Perkins Loan. The aggregate undergraduate ONE Loan limit reflects approximately four-and-a-half years of undergraduate borrowing to ensure timely completion. The Committee believes all institutions should be treated equally after the termination of the Perkins Loan program, which is why the PROSPER Act raises statutory undergraduate loan limits by the average Perkins Loan amount. All students will have the financial tools available to complete their first and second years and continue through graduation.

At the same time, the PROSPER Act attempts to tackle the problem of ballooning graduate school debt. Today, just 12 percent of borrowers (those graduate students who owe \$60,000 or more in federal loans) account for 50 percent of outstanding student loan debt.⁶⁷ In academic year 2013–14 alone, graduate students took out 34 percent of federal student loans despite making up only 14 percent of students.⁶⁸ Unlike undergraduate students who are attending school to earn a credential to improve their ability to get their foot in the door of the workforce, graduate students already have earned an undergraduate degree.

The Committee believes the ONE Loan offers generous terms that will continue to allow students to access the vast majority of programs. Those who may be attending more expensive programs have the opportunity to establish earnings and credit histories before borrowing. Graduate students attending expensive programs will receive a return on investment and will be able to fund their education through the private marketplace. Evidence shows the Grad PLUS program replaced private loan borrowing dollar-for-dollar, suggesting there is an existing market the government does not need to fill.⁶⁹ Graduate students had limits on their loans prior to 2007, and ONE Loan will return to that construct. ONE Loan graduate borrowers have statutorily defined annual and aggregate loan limits for the first time since 2007 in order to limit over-borrowing and contain the rising cost of college. The annual graduate loan limit for ONE Loans is the sum of the current graduate Stafford Loan limit and the maximum graduate Perkins Loan, with higher limits for certain health and medicine programs. Borrowing through the ONE Loan program is capped at \$150,000 for most students, an amount still higher than the limits prior to 2007.

Similarly, ONE Parent Loans will limit borrowing at the annual level to the average parent PLUS loan.⁷⁰ ONE Parent Loans also have an aggregate cap equivalent to four-and-a-half times the an-

⁶⁷ CollegeBoard, *supra* note 35.

⁶⁸ Beth Akers & Matthew M. Chingos, *Game of Loans* (2016), p. 16.

⁶⁹ Monica Bhole, *Why do federal loans crowd out the private market? Evidence from graduate PLUS loans*, Job Market Paper (Oct. 16, 2016), <http://www.economics.illinois.edu/seminars/documents/Monica.Pdf>.

⁷⁰ *2011–12 National Postsecondary Student Aid Study (NPSAS:12)*, National Center for Education Statistics, U.S. Department of Education, Computation by NCES PowerStats on 3/3/2016.

nual limit. Parents today are able to borrow for educational and living expenses for their dependent children up to the cost of attendance. While some parents can afford to acquire high loan balances, many parents cannot. The PROSPER Act makes sure these parents do not become saddled with debt and struggle with their repayment burden. Instead, the PROSPER Act provides dependent students greater access to aid to finance their own postsecondary education pursuits. These changes will provide the higher education system enough flexibility to encompass the borrowing habits of today's borrowers, while restricting institutions from abusing easy access to credit and continuing to increase their college costs to the detriment of students and taxpayers.

The Committee recognizes current law is inflexible and does not provide institutions the authority to set policies in the best interest of their students. Yet, the HEA still holds institutions accountable for the repayment behavior of their students. Mr. Michael Bennett, the Associate Vice President of Financial Assistant Services at St. Petersburg College, testified at a hearing on March 17, 2015, saying:

Most are not aware that financial aid administrators are currently prohibited from requiring additional counseling and/or limiting borrowing for federal loans. Loans are considered to be "entitlement" dollars and a school is not able to require additional counseling, even if their records show that the student could be in serious financial trouble. . . . We must provide financial literacy, additional counseling, and the availability of personalized, comprehensive financial education services.⁷¹

The PROSPER Act addresses the problems identified by Mr. Bennett by revamping entrance and exit counseling, sharing the responsibility for borrowing habits with institutions, and holding individual programs at institutions to a base loan repayment rate standard instead of the ineffective institutional-level cohort default rate. H.R. 4508 provides financial aid administrators the flexibility to lower loan limits for categories of borrowers to help students limit their borrowing to only the amount needed to finance their education expenses. The specific categories of borrowers include by academic program, enrollment intensity, credential level, and programmatic year. Importantly, the bill retains the authority of institutions to increase loan limits up to the statutory cap on a case-by-case basis, which will protect those borrowers with special circumstances and exceptional need. The Committee believes it is the responsibility of institutions to consider the best financial interest of their students and strongly encourages all colleges and universities to use this new flexible loan limit authority to curtail over borrowing. Endowed with this new ability, all institutions now have the tools needed to set students up for long-term financial success.

⁷¹Michael Bennett Testimony Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training, *Hearing on Strengthening America's Higher Education System, March 17, 2015*, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=398531>.

E. Interest rates and loan fees

College affordability for all Americans is the inspiration behind the reforms contained in the PROSPER Act. This is why the Committee maintained the market-driven interest rate policy set by the *Bipartisan Student Loan Certainty Act of 2013*. The law removed Washington politicians from the business of setting student loan interest rates, and instead interest rates are based on the 10-year Treasury Note plus a certain percentage depending on the loan. This responsible solution has served the best interests of students, parents, and taxpayers, and the bill continues this policy: undergraduate ONE Loan borrowers' interest rates are equivalent to the undergraduate Stafford rate; graduate ONE Loan borrowers' interest rates are equivalent to the graduate Stafford rate; and ONE Parent Loans will have an interest rate equivalent to PLUS loans.

The PROSPER Act reforms also are designed to ensure the federal government is clear on its agreement with borrowers who are taking out a loan. Under the DL program, borrowers are charged hidden fees, known as origination fees, ranging from 1 percent to 4 percent. In practice, the origination fee means borrowers receive less aid than requested and have a higher effective interest rate than advertised. The Committee believes this costly and hidden fee unnecessarily increases the cost of college for millions of students and families. Therefore, the PROSPER Act eliminates origination fees for all ONE Loans. Removing origination fees will make the process of financing education more transparent and put more money into the students' account.

F. ONE Loan repayment and treatment of loan forgiveness

As noted earlier, DL borrowers have many repayment plans available to them, with five of the plans based on a borrower's income. Thousands of borrowers struggle to meet their monthly payment obligations despite the generous terms available. Dr. Beth Akers, Senior Fellow at the Manhattan Institute, who testified at a hearing on February 7, 2017, informed the Committee why this may be case:

Many people are surprised to learn that our federal student loan program has a robust system of safety nets that protects borrowers from unaffordable student loans. . . . The lack of knowledge about these safety nets likely stems from the fact that there isn't a single income-driven repayment plan, but rather a set of programs, each with different eligibility requirements and benefits.⁷²

The Committee, noting the recent uptick of enrollments in the various income-based repayment plans, agrees the deluge of repayment options needlessly complicates the repayment process.⁷³ To simplify repayment and make student loan payments more affordable while still protecting taxpayers, the ONE Loan program offers student borrowers two options to repay their loans: a 10-year standard plan and a single IBR plan. The PROSPER Act adopts the policy goal and general structure of Rep. Drew Ferguson's (R-

⁷²Testimony of Beth Akers, *Hearing on Challenges and Opportunities in Higher Education*, *supra* note 55.

⁷³*Facts on Student Loan Borrowers*, The Student Loan Servicing Alliance (2017), <http://www.slsa.net/wp-content/uploads/2017/09/SLSA-Fact-Sheet-on-Student-Loan-Borrowers-9-18-17.pdf>.

GA) bill, H.R. 4372, the *Help Students Repay Act*. All ONE Parent Loan borrowers must pay according to the 10-year standard plan. The IBR plan requires borrowers to pay 15 percent of their discretionary income a month or \$25, whichever is higher. The mandatory minimum monthly payment keeps borrowers engaged and actively in repayment, which helps borrowers pay down their balance and avoid default. Individuals can seek to lower this minimum payment if they are unemployed or have high medical expenses. Borrowers in the IBR plan are required to repay an amount to the federal government equal to the principal balance of the loan plus 10 years' worth of interest as calculated when entering repayment. This financial mechanism guarantees borrowers are at least paying back the principal and the interest they would have paid had their income allowed them to repay in the 10-year standard plan, while also safeguarding borrowers from insurmountable accrued interest if their monthly payments in the IBR plan are less than the interest accruing each month. The ONE Loan IBR structure will encourage individuals to make consistent loan payments and will provide individuals the payment transparency and certainty needed to plan for other life expenses such as buying a home or starting a small business.

Unlike the DL program, which offers loan forgiveness based on time or occupation, the ONE Loans subsidy is concentrated in the IBR proposal to cap interest rates at 10 years' worth of interest. All forgiveness options such as Public Service Loan Forgiveness (PSLF) for the DL program will continue to apply to those loans, but those forgiveness options are not applicable to ONE Loans. The reasons for this policy change are twofold. First, the loan cancellations are inefficient and poorly targeted. As Dr. Akers explained to the Committee:

Not only does PSLF deliver subsidies for public service in an inefficient manner, it also does a poor job targeting those funds. Studies have shown that most of the benefits of PSLF will go to workers that have earned graduate and professional degrees and have the potential for very high earnings.⁷⁴

This point is underscored by the Urban Institute's analysis of the American Community Survey census data, where it found most public sector occupations also exist in the private sector and that there is minimal difference in pay between the two sectors.⁷⁵ The conclusion reached by the Urban Institute is that many individuals in the workforce are doing comparable work for equal pay, but only some borrowers are eligible for PSLF.⁷⁶ The Committee believes all work is valuable and must be held in equally high regard. This is why the PROSPER Act eliminates picking arbitrary winners and gives the same choice of repayment plans to all borrowers.

The second reason why the PROSPER Act does not apply current forgiveness plans to ONE Loans is due to the overwhelming cost and the exploitation of the forgiveness policy by institutions. Dr.

⁷⁴Testimony of Beth Akers, *Hearing on Challenges and Opportunities in Higher Education*, *supra* note 55.

⁷⁵Erica Blom, *Who does the Public Service Loan Forgiveness program really benefit?*, Urban Institute (Oct. 27, 2017), <https://www.urban.org/urban-wire/who-does-public-service-loan-forgiveness-program-really-benefit>.

⁷⁶*Id.*

Chingos rightfully pointed out that “[e]liminating PSLF and reducing the generosity of other forgiveness provisions for future borrowers is not only a matter of ensuring that subsidies are delivered fairly. It is also critical to the fiscal sustainability of the student loan programs.”⁷⁷

The exploding cost of existing income-driven repayment plans and forgiveness options cannot be overstated. In fact, a recent GAO report found the federal government is on track to forgive at least \$108 billion in student debt, a far higher cost than initially estimated.⁷⁸ Some institutions have abused the combination of unlimited Grad PLUS lending and unlimited forgiveness options through IBR and PSLF to increase costs and have the federal government foot the entire bill of a student’s education. In the case of one institution, the expected average amount a law school graduate from the institution will have be forgiven because of current federal policies is around \$158,888.⁷⁹ Total subsidization of graduate education was never the intent or goal of the federal loan programs. By designing the ONE Loan IBR plan with an interest cap, the Committee is acting in the best interest of students and taxpayers and is committed to giving borrowers repayment relief so present and future individuals can benefit from the federal government-lending program.

The Committee believes the PROSPER Act’s simplified and improved ONE Loan system will benefit students and taxpayers by removing layers of confusion, keeping the policies that work well, altering the terms that need to work better, and promoting access to and completion of postsecondary education. Millions of students work hard to earn a degree to find a job and provide a successful life for their families. ONE Loans will help these individuals finance their goals with affordable repayment terms and will deliver the country a skilled workforce ready for the challenges of the future.

Credit balances

The Committee believes each student loan borrower should have the ability to choose the best method of obtaining their credit balance, and these options should be presented in a neutral and fair manner. Regardless of the selection by the borrower, credit balances should be delivered in a timely fashion, and borrowers should not be subject to a delay in receiving their credit balances. The inability of a third-party servicer to proactively send an access device to a student may penalize the student loan borrower by delaying access to the funds.

The Committee also believes abusive cardholder fees that were an element of some student card programs in the past should be prevented. Notably in 2012, the Federal Deposit Insurance Corporation entered into settlements with industry participants based on alleged violations of the *Federal Trade Commission Act* related

⁷⁷ Testimony of Matt Chingos, *Hearing on Improving Federal Student Aid to Better Meet the Needs of Students*, *supra* note 33.

⁷⁸ *Federal Student Loans: Education Needs to Improve Its Income-Driven Repayment Plan Budget Estimates*, U.S. Government Accountability Office (November 2016), <https://www.gao.gov/assets/690/681064.pdf>.

⁷⁹ Alexander Holt and Jason Delisle, *Georgetown LRAP: In Their Own Words*, New America (Aug. 7, 2013), <https://www.newamerica.org/education-policy/federal-education-budget-project/ed-money-watch/georgetown-lrap-in-their-own-words/>.

to charging student account holders fees that were unfair or deceptive.⁸⁰ Also in 2013, a major industry participant settled a class action lawsuit in which student plaintiffs claimed that it charged excessive and inadequately disclosed cardholder fees.⁸¹

Need analysis

Historically, the Free Application for Federal Student Aid (FAFSA) was available on January 1 for the upcoming year, well after many college application deadlines, and it required applicants to provide income from the tax return due a few months later in April. In order for students to take advantage of the ability to easily transfer their Internal Revenue Service (IRS) income data onto the FAFSA, they had to wait until after they filed their tax returns. These timing inconsistencies may have caused delays in the submission of FAFSA forms, leaving financial aid administrators little time to put together aid packages for incoming students. According to a 2013 report published by the National Association of Student Financial Aid Administrators:

Under the current structure, delays can cause an unfavorable chain reaction: a delay in completing the income tax return can mean a delay in submitting the FAFSA, which can result in a delay in financial aid notification—and potentially a reduced amount of financial aid. This occurs because some forms of financial aid have a limited pot of funds, which is distributed on a first-come, first-served basis. Every college student needs to know where they stand sooner rather than later, so the student can adjust and prepare for the costs of college.⁸²

In order to provide students with earlier aid notifications and give administrators more time to package and award aid, stakeholders have called for a change to allow borrowers to apply for aid using prior-prior year (PPY) data. At a March 17, 2015, hearing the Honorable Mitch Daniels, President of Purdue University and former Governor of Indiana, testified about the benefits of changing to prior-prior year:

Basing decisions on a prior-prior year (PPY) basis would enable better alignment of the application process with existing IRS data. The current system, which uses the previous year's financial records, is prone to delays and complications that result from the routine tax process. Switching to PPY would allow time for tax forms to be processed, corrected and analyzed before admissions decisions are made and FAFSA applications are due. It would be advantageous both in terms of financial planning and connecting the application to existing data.⁸³

⁸⁰ *FDIC Announces Settlements With Higher One, Inc., New Haven, Connecticut, and the Bancorp Bank, Wilmington, Delaware for Unfair and Deceptive Practices*, Federal Deposit Insurance Corporation (Aug. 8, 2012), <https://www.fdic.gov/news/news/press/2012/pr12092.html>.

⁸¹ Michael Stratford, *Higher One Nears Settlement*, Inside Higher Ed (Nov. 6, 2013), <https://www.insidehighered.com/news/2013/11/06/higher-one-agrees-15-million-settlement-resolve-charges-over-fees>.

⁸² *A Tale of Two Income Years: Comparing Prior-Prior Year and Prior Year Through Pell Grant Awards*, NASFAA (2013), https://www.nasfaa.org/uploads/documents/ppy_report.pdf.

⁸³ Testimony of The Honorable Mitch Daniels, *Hearing on Strengthening America's Higher Education System*, *supra* note 71.

In the 2008 *Higher Education Opportunity Act*, Congress provided the Secretary the authority to allow the use of PPY income. However, the Secretary has only recently begun utilizing that authority. Starting last year, applicants were able to complete the FAFSA using PPY income. The Committee recognizes the benefits of using PPY data to students, institutions, and taxpayers and is committed to ensuring this commonsense policy remains in place in future academic years. Therefore, H.R. 4508 ensures continued allowance for earlier notification of federal student aid.

H.R. 4508 also updates the maximum income threshold required to qualify for the simplified version of the FAFSA, known as the simplified needs test, to be in line with the IRS' income requirements to file the 1040EZ or 1040A tax form. The Committee believes this important update to the law will significantly simplify the application process for more middle-class families.

Competency-based education

Federal, state, and local budgetary challenges, as well as skyrocketing college costs, have encouraged institutions of higher education and students to seek low-cost alternatives to the traditional higher education model. Different modes of teaching delivery, such as competency-based education, may help students learn and graduate more quickly. These innovations in higher education could benefit both traditional students as well as the growing population of contemporary students.

Traditionally, regulators and institutions of higher education used credit hours to measure student progress. This was an understandable metric when technological and physical limitations meant "seat time" was the best proxy for learning. Today, however, many experts question the value of measuring time rather than actual learning gains. Competency-based models of education reverse the traditional learning equation, holding learning constant and allowing time to vary. Such programs define a collection of competencies or skills for a given field of study; create assessments; and provide students with course materials, instructional mentors, tutors, and assessments aligned with the competencies.

Additionally, federal student aid programs have not kept pace with advances in technology or the latest models of education. While some institutions of higher education are pursuing competency-based education programs, current statutory and regulatory requirements need to be updated to enhance innovation, allowing for greater expansion of competency-based education. Most notably, federal student aid is disbursed based on the traditional "credit hour" calculation, which does not translate to the competency-based education model. Mr. Gilligan, in his testimony before the Committee, noted the financial aid challenges this innovative learning model poses:

In some cases, we do not believe that time-based tools constitute the best measurement of student progress, especially for the adult, contemporary student. Direct assessment measures student knowledge and learning, rather than focusing on seat time and grades. What matters is knowledge gained, not the amount of time it took to gain it. This decoupling allows students to move through their

program without any wasted time or money, but poses complicated problems for federal financial aid policy.⁸⁴

The federal government now disburses over \$123 billion in federal student financial assistance each year,⁸⁵ which should spur lawmakers to find solutions that encourage innovation to lower college costs. During a July 9, 2013, hearing, Mr. Burck Smith, Chief Executive Officer and Founder of StraighterLine, commenting on what may prevent institutions from providing less costly degrees, said:

Despite massive investments in technology, higher education prices are rising and quality is declining. In every other industry, technology investments yield cost savings which translate to lower prices and higher quality—productivity increases. Why not in higher education? My conclusion was, and is, that the problem is an outdated regulatory structure.⁸⁶

Recognizing the challenges the current credit hour system poses for competency-based education programs, H.R. 4508 creates a new academic year definition for the purposes of competency-based education programs based on competencies rather than credit hours or time. The legislation also allows for competency-based education programs that use a subscription model to be treated as term-based for the purpose of establishing payment periods. Furthermore, the PROSPER Act expands the definition of an eligible program under Title IV to include competency-based education programs that have been evaluated and approved by a recognized accrediting agency. The Committee believes that updating the current statutory and regulatory system will help to ensure colleges can pursue low-cost delivery models.

Short-term programs

H.R. 4508 permits student aid, including Pell Grants, to be disbursed to students enrolled in short-term programs by decreasing the minimum length of an eligible program under Title IV to at least 300 clock hours of instruction, eight semester hours, or 12 quarter hours, offered during a minimum of 10 weeks. Allowing for the eligibility of short-term workforce development programs will help address the workforce shortage by helping workers afford the crucial skills-based education and credentials that are in high-demand in today's job market. Ms. Tamar Jacoby, President and CEO of Opportunity America, commented on the impact this policy could have, in a January 2018 report:

There's no silver bullet—no simple legislative fix—for the skills gaps plaguing industry after industry and constricting opportunity for workers. But Washington could make a big dent in the problem by taking steps to level the financial playing field between traditional academic higher education and career-focused technical instruction. . . .

⁸⁴ Testimony of Kevin Gilligan, *Hearing on Challenges and Opportunities in Higher Education*, *supra* note 55.

⁸⁵ CollegeBoard, *supra* note 35.

⁸⁶ Testimony of Burck Smith Before the Committee on Education and the Workforce, *Hearing on Keeping College Within Reach: Improving Higher Education Through Innovation*, July 9, 2013, <http://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=341174>.

[M]ore balanced federal funding—even a small next step down the road to more balance—could spur dramatic change for students and employers, a much-needed, double-barreled boost for opportunity and economic competitiveness.⁸⁷

Dr. Ralls also highlighted short-term programs and expanding apprenticeship opportunities in his testimony:

One of the things that Congress can do is look at . . . opening up the notion of what certifications mean in the workplace as a workplace credential, areas like Pell Grants for short-term certifications that are meaningful and have rigor—I think can open up more opportunities for apprenticeship opportunities and for those kinds of certification programs that we find are important with apprenticeship.⁸⁸

The Committee believes access to short-term programs will help students get into the workforce more quickly and with the skills necessary to meet local economic demands.

New providers of higher education

To continue with the PROSPER Act’s goal of ensuring the HEA is flexible enough for tomorrow’s students, H.R. 4508 allows new providers of higher education, called an “ineligible institution or organization,” to partner with traditional colleges and universities on a greater scale by relaxing the current 50 percent limit on institutional partnerships with ineligible organizations and allowing those organizations to provide up to 100 percent of a student’s educational program in order to foster innovation and help colleges reduce costs. Through these partnerships, students will be able to use their federal student aid to access nontraditional providers of higher education such as coding bootcamps or education programs designed by employers. In describing the Educational Quality through Innovative Partnerships (EQUIP) experimental sites initiative upon which the provision is partially based, Ms. Jacoby notes that while the experiment has a “multitiered quality control [that] is cumbersome . . . it’s a critical breakthrough—a first crack in the edifice of accreditation that could lead to more dramatic, far-reaching change in years ahead.”⁸⁹ The Committee agrees the quality control process outlined in the EQUIP experimental site is cumbersome as well as duplicative of the quality assurance process outlined in the law through accreditation. Therefore, rather than creating a separate duplicative process for these partnerships, the PROSPER Act requires accreditors to approve partnerships where the ineligible institution or organization provides more than 25 percent of the educational program.

⁸⁷Tamar Jacoby, *Leveling the Playing Field: Pell Grants for Workforce Training*, This Way Up: New Thinking About Poverty and Economic Mobility, Opportunity America & AEI (2017), <http://www.aei.org/wp-content/uploads/2018/01/This-Way-Up.pdf>.

⁸⁸Testimony of Scott Ralls, *Joint Hearing on Public-Private Solutions to Educating a Cyber Workforce*, *supra* note 27.

⁸⁹Tamar Jacoby, *supra* note 87.

Loan repayment rates

Billions of hard-working taxpayer dollars finance postsecondary education every year. Yet, the accountability process in effect today is ineffective and outdated. Easy access to taxpayer-funded student loans has driven up college's price tag, and institutions are immune to the consequences as long as enough of their students do not default in massive numbers. Incentives between students, institutions, and the federal government should promote educational quality and a return on investment for all stakeholders. Currently, eligibility to participate in the federal student aid programs is conditioned partially on an institution's cohort default rate.

The Committee believes the current cohort default rate metric is ineffective and fails to provide real accountability for federal student aid dollars. Entire institutions rarely lose eligibility due to low default rates as poorly performing programs are propped up by better performing programs at the institution. H.R. 4508 creates a program-level loan repayment rate (LRR) tied to program eligibility that replaces the institutional-level cohort default rate. The LRR will move the eligibility condition to the program-level, so particular programs that are enabling borrowers to repay their loans will be allowed to continue participating in the student aid programs, and those that are not enabling borrowers to repay would not be eligible. Switching this eligibility mechanism to a program-level LRR will force institutions to have more skin in the game in lending because individual programs could lose eligibility for federal student aid if the program does not adequately prepare students for a career that will enable them to repay their federal student loans. It will also require institutions to be more price-sensitive when setting tuition for particular programs.

FAFSA simplification

Questions on the FAFSA form range from the net worth of investments to complicated tax questions, and they are often difficult for students and families to understand. This confusion can deter applicants from completing the form, preventing students from receiving financial aid for which they may otherwise have been eligible. While steps have been taken to simplify the FAFSA through the use of skip logic and reducing the number of questions families must answer, the Committee believes more can be done to simplify the user experience.

The move to PPY and the use of the IRS data retrieval tool (DRT) will strengthen the integrity of federal financial aid and reduce verification burdens on institutions of higher education. Before PPY, student aid administrators had limited time to verify the accuracy of students' income data. As Michael Bennett discussed in his testimony:

With more completed, and therefore accurate, tax information, verification burden for both students and institutions would be dramatically reduced through an increased use of the IRS Data Retrieval Tool. This reduced burden

will free up more time for financial aid administrators to spend on counseling students.⁹⁰

The Committee believes the DRT has significantly reduced the burden of filling out the FAFSA by allowing families to import their tax information from the IRS, which eliminates many of the questions students and families struggle to answer. The implementation of PPY allows more families to immediately utilize the DRT by eliminating the delay between filing taxes and the DRT becoming available. The PROSPER Act directs the Secretary to allow married taxpayers filing separately to use the DRT as single taxpayers and married taxpayers filing jointly can currently. The legislation also directs the Secretary to make every effort to utilize technology to strengthen the DRT and eliminate the need for students and families to answer irrelevant questions.

H.R. 4508 requires the Secretary to continue examining ways to simplify the FAFSA through the DRT and report to Congress annually on that effort. The Committee encourages the Secretary to consider redistribution of federal, state, and institutional aid that may occur through such simplification efforts as well as any potential limitations of using IRS data sufficient to calculate need for the determination of state aid. The Committee additionally encourages the Secretary to consider any other means of simplification made possible through the use of PPY data.

The Committee also believes protecting taxpayer and student privacy is vitally important, and any attempts to misuse sensitive information through the DRT is concerning. As a result of previous security breaches first revealed by the IRS and the Department in March 2017,⁹¹ the legislation requires the Secretary to report on the security of the DRT to ensure the Department protects the personally identifiable information families entrusts it with each day.

The PROSPER Act requires the Secretary to conduct consumer testing to ensure the electronic versions of the FAFSA are easily understandable by students and families. The Committee appreciates the work done to make the FAFSA more user-friendly but believes more can be done to ensure the FAFSA is as understandable as possible. By requiring the Secretary to conduct consumer testing with current and prospective college students, family members of such students, and financial aid application experts, the electronic versions of the FAFSA can be strengthened for efficiency and design.

One of the main purposes of FAFSA simplification is to make the form more accessible to students, thereby making a higher education more attainable. Since the creation of the online FAFSA in 1997, FAFSA completion time has decreased.⁹² However, this online application is not always easily accessible. A recent report found 2 million students who would have been eligible for the Pell Grant did not fill out the FAFSA in award year 2011–2012. Roughly 23 percent of these students cited the difficulty of the financial

⁹⁰Testimony of Michael Bennett, *Hearing on Strengthening America's Higher Education System*, *supra* note 71.

⁹¹*Privacy Concerns Force Tool to Remain Offline; Students, Parents and Borrowers Should Use Other Options to Provide Financial Data on Applications*, Department of Education (March 30, 2017), <https://www.ed.gov/news/press-releases/update-internal-revenue-service-irs-and-federal-student-aid-fsa-statement-irs-data-retrieval-tool-drt>.

⁹²The average time it takes to complete a FAFSA was reduced to 33 minutes and 13 seconds for the 2015–16 application cycle. See *Free Application for Federal Student Aid (FAFSA) Overview*, PowerPoint Presentation, General Dynamics Information Technology (2017), p. 4.

aid form or lack of information about how to apply as a reason for not completing the FAFSA.⁹³ Another report found 40 percent of all families with incomes below \$25,000 and with school-age children lack a high speed internet connection at home.⁹⁴ Students with families in this income bracket are likely eligible for a Pell Grant and the most likely to receive state and institutional aid, both of which often rely on FAFSA data.

The Committee believes barriers to access should be removed and students should not be precluded from applying for aid because their families do not have ready access to computers or Internet. For this reason, H.R. 4508 requires the Secretary to make the FAFSA available on mobile phones, through a mobile application, or another technology tool.

Student eligibility

Prior to 2012, student aid eligibility was limited to students with a high school diploma or equivalent, students who passed an ability to benefit (ATB) test, or students who had completed six credit hours or its clock hour equivalent of postsecondary coursework. To mitigate a funding shortfall in the Pell Grant program, all eligibility for students without a high school diploma or equivalent was revoked in 2012. The *Consolidated and Further Continuing Appropriations Act of 2015* partly restored ATB for students who met the previous ATB requirements and who are enrolled in an eligible career pathways program. H.R. 4508 eliminates the career pathways requirement and restores federal student aid eligibility for students without a high school credential who have been determined by their institution as having the ability to benefit from the education provided by the institution upon satisfactory completion of six credit hours or the equivalent of postsecondary education.

Removing the current eligible career pathways requirement will allow more students without high school credentials to participate in the federal financial aid programs if they have demonstrated they can handle the rigor of higher education. Additionally, ATB students made eligible through completing six credit hours have been shown to be just as successful as high school graduates. An analysis of the Department's 2006–2007 Experimental Sites Initiative, which allowed students without a high school diploma who successfully completed six credit hours to gain access to student aid, found:

The subset of students made eligible by this experiment even compared favorably to financial aid recipients with high school diplomas. While the experimental group of students attempted and completed slightly fewer credit hours than high school graduates, they completed a nearly identical percentage of units attempted and earned a slightly

⁹³Mark Kantrowitz, *Leaving Money on the Table*, Edvisors Student Aid Policy Analysis (Jan. 12, 2015), p. 3. <https://www.edvisors.com/media/files/student-aid-policy/20150112-leaving-money-on-the-table.pdf>.

⁹⁴<http://www.pewresearch.org/fact-tank/2015/04/20/the-numbers-behind-the-broadband-home-work-gap/>.

higher grade point average than aid recipients who had completed high school.⁹⁵

H.R. 4508 also clarifies that students who have completed a secondary school education in a home school setting (one treated as a home school or private school under state law or provided by a school operating as a nonprofit corporation that offers a program of study determined acceptable for admission at an institution of higher education) are eligible for federal student aid under Title IV. With respect to secondary education provided by a nonprofit corporation, the Committee intends that accrediting agencies recognized by the Department, not state higher education agencies or the Secretary, shall make the determination about which programs of study are deemed acceptable for admission to postsecondary institutions.

Return to Title IV

Unfortunately, many students never complete their postsecondary degree. Additionally, borrowers who do not earn a degree are more likely to default on their loans, leaving taxpayers to pick up the tab. Dr. Chingos and his colleague at the Urban Institute, Ms. Kristin Blagg, highlight this problem in their report, “Getting Risk Sharing Right,” noting:

Borrowers who drop out before the end of the term are less likely to ever earn a degree or credential and more at risk of defaulting on their loans. The [Beginning Postsecondary Students Longitudinal Study]: 04/09 data show that, among borrowers who dropped out before the end of a term, just 14 percent went on to attain any degree within the following six years. Of borrowers who dropped out before the end of the term and who did not earn a degree, 38 percent experienced federal student loan default by 2009, and just 31 percent of these borrowers either repaid their loans or were in repayment. In contrast, among those who stopped out at the end of the term and did not receive a degree within six years, 22 percent had a default and 50 percent were either in repayment or repaid.⁹⁶

Currently, through the return to Title IV (R2T4) process, institutions of higher education are required to return a portion of federal aid awarded to a student if the student withdraws before completing 60 percent of a semester or other payment period. The institution is then able to bill the student for the returned portion of federal aid. This creates barriers for the most at-risk students to access future aid and complete their education. According to Dr. Chingos and Ms. Blagg, “This system places a disproportionate burden on low-income students, who may be unable to clear their debts at the college and are therefore unable to access their academic record or reapply for federal aid until all federal debts are also repaid.”⁹⁷ If a student withdraws after the 60 percent mark,

⁹⁵John B. Horrigan, *The numbers behind the broadband ‘homework gap’*, Pew Research Center (April 20, 2015), <https://experimentalsites.ed.gov/exp/archives.html>; Analysis of the Experimental Sites Initiative 2006–07 Award Year.

⁹⁶Kristin Blagg & Matthew M. Chingos, *Getting Risk Sharing Right*, Urban Institute (Dec. 2016), https://www.urban.org/sites/default/files/publication/86556/getting_risk_sharing_right_3.pdf.

⁹⁷*Id.*

institutions are allowed to keep the entire semester worth of federal aid even though the student did not complete the semester. Furthermore, colleges have acknowledged that the current R2T4 process is incredibly complex and burdensome, warranting over 200 pages of federal regulations.⁹⁸

H.R. 4508, which incorporates the provisions of H.R. 4336, the *College Completion and Success Act*, introduced by Rep. Jason Lewis (R-MN), reforms the R2T4 process, so students do not earn all of their aid until they actually complete the semester. When students enroll in a semester but do not complete, the college will not be able to keep a full semester worth of taxpayer-supported student aid. Additionally, by streamlining how colleges calculate the amount of aid earned as is done in the PROSPER Act, schools will be able to spend less time and resources on compliance. The legislation also shifts the burden of repaying unearned aid onto the colleges, giving them strong incentive to promote student persistence and success. According to Dr. Chingos and Ms. Blagg, under a system like this, “[i]nstitutions are unlikely to recoup all tuition that was previously paid by federal aid and thus have strengthened incentives to encourage students to complete each term for which they are enrolled.”⁹⁹ The PROSPER Act also credits returned aid to Pell Grants first and then loans, so the taxpayer investment in higher education is protected when student completion is not achieved. Students then regain Pell eligibility for the returned aid, increasing their ability to return to school and complete a degree. The Committee strongly believes that colleges must place greater focus on student completion and have skin in the game when students do not progress towards a degree. This policy combined with the loan repayment rate policy offer skin-in-the-game policies that create incentives for colleges to lower costs and help with completion. The Committee believes this policy will deter institutions from passing costs to students in the form of increased tuition.

Disclosures and reporting requirements

A. Reporting relief

Reporting requirements can serve as an important tool in ensuring institutional accountability. However, voluminous and frequently ambiguous federal requirements have expanded the cost of compliance and exacerbated the rising costs of attending postsecondary education.¹⁰⁰ These requirements have become excessive, duplicative, costly, and often difficult to implement. H.R. 4508 repeals or reforms federal requirements that provide limited usefulness to students, families, institutions, and policymakers and that lead to increased costs for students.

⁹⁸ *Recalibrating Regulation of Colleges and Universities*, Task Force on Federal Regulation of Higher Education (2015), p. 19, <http://www.acenet.edu/news-room/Documents/Higher-Education-Regulations-Task-Force-Report.pdf>.

⁹⁹ Kristin Blagg & Matthew M. Chingos, *supra* note 96.

¹⁰⁰ Every dollar spent on compliance is a dollar not being spent keeping costs low for students. As far back as 1997, Stanford University estimated the school spent \$29 million on compliance costs. In 2012, Hartwick College released a report finding the small institution spent 7 percent of its non-compensation operating budget, or almost \$300,000 annually and 7,200 labor hours, on federal reports and forms. In 2014, Vanderbilt estimated 11 percent, or \$150 million, of its expenditures went to fulfilling federal mandates. See *Recalibrating Regulation of Colleges and Universities*, *supra* note 98.

In the fall of 2013, a bipartisan group of Senators established a task force of college and university presidents and chancellors to study federal regulations. In February 2015, the Task Force on the Federal Regulation of Higher Education released a report.¹⁰¹ The report highlighted the problem with current reporting requirements:

Over time, oversight of higher education by the Department of Education has expanded and evolved in ways that undermine the ability of colleges and universities to serve students and accomplish their missions. The compliance problem is exacerbated by the sheer volume of mandates—approximately 2,000 pages of text—and the reality that the Department of Education issues official guidance to amend or clarify its rules at a rate of more than one document per work day. As a result, colleges and universities find themselves enmeshed in a jungle of red tape, facing rules that are often confusing and difficult to comply with. They must allocate resources to compliance that would be better applied to student education, safety, and innovation in instructional delivery. Clearly, a better approach is needed.¹⁰²

The task force recommended consolidating, streamlining, and eliminating burdensome and costly regulations, legislation, and reporting requirements. The report also reviewed and quantified the impact of the regulations with estimates of the time and costs associated with each requirement. The group of presidents and chancellors recommended significant reforms so that current and future rules are promulgated in a way that considers the costs and benefits to taxpayers, institutions, and students. The PROSPER Act includes many of the findings outlined in the report, including streamlining or eliminating requirements around copyright infringement policies, fire reports, policies on missing students, vaccination policies, and voter registration.

B. Campus sexual assault policies

As stated previously, sexual assault on college campuses is an important and serious issue. Federal law should achieve the appropriate balance of supporting victims while ensuring the accused are treated fairly—all the while remembering campuses aren't courts of law and are not equipped to be courts.

When an incident of sexual violence leads to an investigation or a disciplinary process in which a student could be expelled or otherwise sanctioned for violating institutional rules, it is particularly important those involved in the disciplinary process apply fundamental principles of fairness and equality. In 2011, the Department imposed a one-size-fits-all standard when it issued a Dear Colleague Letter providing institutions guidance on their responsibilities under Title IX.¹⁰³ The guidance instructed institutions to use a preponderance of the evidence standard rather than the higher clear and convincing evidence standard to evaluate sexual harass-

¹⁰¹ Task Force on Federal Regulation of Higher Education, *supra* note 98.

¹⁰² *Id.*

¹⁰³ Dear Colleague Letter from Russlynn Ali, Assistant Secretary for Civil Rights, U.S. Department of Education (Apr. 4, 2011), <https://www2.ed.gov/about/offices/list/ocr/letters/colleague-201104.pdf>.

ment or violence complaints in order to be in compliance with Title IX requirements.¹⁰⁴ The lower standard of evidence is seen as unfair and unjust for the accused by individual rights organization and is inconsistent with the evidentiary standard that many colleges and universities have found works best for their campus.

At a September 10, 2015, hearing, Mr. Joseph Cohn, Legislative and Policy Director for the Foundation for Individual Rights in Education, discussed the importance of a fair process:

Institutions adjudicating guilt or innocence in sexual assault cases must do so in a fair and impartial manner that is reasonably calculated to reach the truth. This should be self-evident. Indeed, in the April 4, 2011, “Dear Colleague” letter issued by the Department of Education’s Office for Civil Rights (OCR), the agency acknowledged that “a school’s investigation and hearing processes cannot be equitable unless they are impartial.” Disappointingly, however, OCR’s own rhetoric and actions have been decidedly one-sided, emphasizing the rights of the complainant while paying insufficient attention to the rights of the accused. For example, OCR has mandated that institutions utilize our judiciary’s lowest burden of proof, the “preponderance of the evidence” standard, despite the absence of any of the fundamental procedural safeguards found in the civil courts of law from which that standard comes. Without the basic procedural protections that courts use (like rules of evidence, discovery, trained legal advocates, the right to cross-examine witnesses, and so forth), campus tribunals are making life-altering findings using a low evidentiary threshold that amounts to little more than a hunch that one side is right. This mandate is not just unfair to the accused—it reduces the accuracy and reliability of the findings and compromises the integrity of the system as a whole.¹⁰⁵

The Committee recognizes the need for fairness and due process in campus disciplinary proceedings. Therefore, H.R. 4508 requires all institutional investigations or disciplinary processes regarding sexual violence to be prompt, impartial, and fair to both the accuser and the accused. The legislation also allows an institution to determine the standard of evidence it deems most appropriate for institutional disciplinary proceedings involving sexual assault, as long as it is not arbitrary or capricious and is applied consistently for all proceedings, and the standard chosen by the institution must be clearly communicated to students.

In addition, after a sexual assault has occurred, institutions may receive requests from law enforcement and prosecutors to delay campus investigations, disciplinary proceedings, or even issuing a timely warning in order to allow the local authorities to pursue a criminal investigation or prosecution relating to a sexual assault. H.R. 4508 gives institutions clear authority to respect requests from a law enforcement agency or a prosecutor to delay or suspend investigations or institutional disciplinary proceedings regarding

¹⁰⁴ *Id.*

¹⁰⁵ Testimony of Joseph Cohn, *Hearing on Preventing and Responding to Sexual Assault on College Campuses*, supra note 23.

campus sexual assault without being penalized for doing so in order to allow the local authorities to pursue a criminal investigation or prosecution.

Institutions also face an increasing array of responsibilities related to education about sexual assault policies, both for students and employees. For example, Title IX coordinators, campus police, campus security authorities, and other groups must be educated on a variety of topics, including but not limited to prevention and awareness programs and disciplinary processes. Without clear standards for evaluating education policies, institutions may be uncertain about the adequacy of their programs. H.R. 4508 requires the Secretary to create modules, developed in consultation with campus experts, local law enforcement, victim advocates, due process experts, and other experts, to educate officials conducting sexual assault investigations and disciplinary proceedings, including how to conduct fair investigations and proceedings. Under the legislation, the modules will be made available to colleges and universities and any institution that chooses to use the modules will be deemed in compliance with its education obligations.

Rather than rigid federal mandates, the Committee believes institutions need the flexibility to respond to incidents of sexual assault in a way that meets the needs of students and the individual campus when these tragic incidents unfortunately do occur. A one-size-fits-all approach is simply unfair to victims, to the accused, and to campus communities. The PROSPER Act provides strong supports to victims of sexual assault and protects due process rights while giving institutions the flexibility they need to help fight sexual assault on campus.

C. Loan Counseling

Current counseling policies for federal student aid recipients are inadequate. Counseling occurs too late in the process to guide responsible decisions and too often does not make a lasting impression about the implications of student debt. A Young Invincibles survey found over 40 percent of student aid recipients either did not receive, or at the least did not remember receiving, federally mandated student loan counseling.¹⁰⁶ Furthermore, counseling and financial literacy requirements exclude parent borrowers and students who receive only Pell Grants. With default rates on the rise, it is critical to empower students and families with the data necessary to make informed decisions about the best way to finance postsecondary education.

H.R. 4508 requires timely, consumer-friendly, and comprehensive information be delivered to all recipients of Title IV student aid by incorporating many provisions included in Rep. Brett Guthrie's (R-KY) bill, H.R. 1635, the *Empowering Students Through Enhanced Financial Counseling Act*. Under the PROSPER Act, individuals, including parent borrowers and Pell Grant recipients, must complete a personalized counseling session before receiving federal financial assistance each year. Updated disclosure policies will present students important information about grants and loans including the annual percentage rate, total debt balance, repayment

¹⁰⁶ *Major New Student Borrower Survey Shows Startling Lack of Consumer Information on Financial Aid*, Young Invincibles (Oct. 11, 2012), <http://younginvincibles.org/press-releases/major-new-student-borrower-survey-shows-startling-lack-of-consumer-information-on-financial-aid/>.

plans, loan forgiveness options, and treatment of the loan while in deferment or forbearance. Strengthened exit counseling will inform borrowers of projected monthly payments under standard and income-based repayment plans based on the borrower's anticipated salary. Institutions may provide counseling services directly during an in-person session or through an online tool created for or by the institution. The institution may choose to have the students use the consumer-tested online tool administered by the Department.

The Committee knows providing better information about loans and the post-college obligations and responsibilities that come with those loans will help students make wise borrowing decisions. Student loan debt continues to rise, but Congress can help curtail instances of harmful over borrowing with proven counseling interventions. Under the PROSPER Act, counseling shall include information on any outstanding federal student loan balance the borrower may have and a notice that students are not required to accept the full amount of the federal student loan offered.

Institutions across the country are adopting their own unique strategies to combat over borrowing. Indiana University demonstrates how effective counseling policies can be in reducing loan disbursements. The university was able to cut student debt by \$31 million simply by telling students what their monthly payment would be after graduation before such students took out loans for the next year.¹⁰⁷ This was more than five times the decrease in outlays at four-year public institutions nationally. By also incorporating this idea into the PROSPER Act, the Committee is taking steps to limit needlessly high loan balances which can help borrowers avoid harmful defaults.

Recipients of federal financial aid do not receive critical information about loans and grants in an easily accessible way. The Committee addresses this information gap by requiring a consumer-friendly tool designed to educate individuals about the critical terms and conditions of the federal aid programs. Borrowers, presented with better information, will be able to manage financial obligations and responsibly pay for postsecondary education. The PROSPER Act provides students and parents the tools needed to pursue successful educational pathways that will lead to lifelong prosperity.

D. 90/10 Rule

The 90/10 rule was put into effect by the *Higher Education Act Amendments of 1998*. It prohibits proprietary institutions from receiving more than 90 percent of their revenues from Title IV sources and mandates that 10 percent of their revenues must be from non-Title IV sources. The rule replaced its predecessor, the 85/15 rule, which was created in *Higher Education Amendments of 1992*. The regulations outlining the payments that count in the numerator and in the denominator were codified in the *Higher Education Opportunity Act*.

Because the 90/10 rule does not serve as an appropriate proxy of institutional integrity and educational quality and leads to higher costs for institutions that serve low-income students, the PROS-

¹⁰⁷ Janet Lorin, *How Students at a U.S. University Borrowed \$31 Million Less*, Bloomberg (July 5, 2014) <http://www.bloomberg.com/news/2014-07-03/here-s-how-indiana-university-students-borrowed-31-million-less.html>.

PER Act repeals the 90/10 rule A publication written by Mr. Anthony J. Guida Jr. and Mr. David Figuli of the University of Chicago Law Review, states:

[T]he 90/10 rule—through complex regulatory metrics with contradictory implications, penalize proprietary institutions that serve high minority populations and discourage them from providing the type of access that federal student funding initiatives were intended to enable. If, as the data and analysis suggest, it is the type of student enrolled, as opposed to the quality of the program offered or the institution offering it, that is the primary cause of low graduation rates, excessive debt, and student defaults, then it is pointless to shift these students from proprietary institutions to nonprofit and public colleges. Both rules should be eliminated in favor of policies that apply to all types of institutions, that are designed to ensure student access and success, that require transparency and comparability, that consider institutional mission where appropriate, that measure student outcomes normalized against populations served, and that treat at-risk students equitably no matter what institution they choose to attend.¹⁰⁸

The Committee believes this metric is largely arbitrary and placed unfairly on proprietary institutions. The Committee believes that all institutions should be held to the same accountability metrics, and the PROSPER Act accomplishes this goal by applying a programmatic loan repayment rate to all programs at institutions to determine their eligibility to participate in Title IV aid, allowing accreditors to assess institutional success based on student learning and educational outcomes in relation to the institution's mission, and requiring all institutions to provide students aggregated data regarding the average debt and earnings of graduates.

Negotiated rulemaking

The negotiated rulemaking process can be a valuable tool to ensure stakeholder input is considered as federal regulations are developed and finalized. This is why the HEA requires the use of the negotiated rulemaking process when regulating on provisions under Title IV, and the PROSPER Act maintains this important requirement. However, the Obama administration distorted the purpose of the negotiated rulemaking process in order to use it to achieve its own policy goals rather than work productively with key stakeholders to develop appropriate and workable regulations. H.R. 4508 improves the negotiated rulemaking process by establishing specific procedures the Secretary must follow when issuing federal regulations under Title IV and providing stakeholders and the authorizing committees adequate time to review regulations. Dr. Brit Kirwan, Chancellor Emeritus of the University System of Maryland and Co-Chair of the Senate Task Force on Federal Regulation of Higher Education, called for reform to the process at a February 7, 2017, hearing saying “the negotiated rulemaking process used by

¹⁰⁸ Anthony J. Guida Jr. and David Figuli, *Higher Education's Gainful Employment and 90/10 Rules: Unintended "Scarlet Letters" for Minority, Low-Income, and Other At-Risk Students*, *The University of Chicago Law Review* (2011), <https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=5563&context=uclev>.

the Department should be improved to ensure it achieves its intended goals.”¹⁰⁹ The Committee believes the reforms in the PROSPER Act help reduce excessive federal regulation on campuses; prevent the Secretary from compounding the burden of federal regulations already on the books; and ensure stakeholders have ample time to raise concerns with proposed regulations and to request they be addressed accordingly before the regulations are finalized.

Loan servicing

Loan servicers are federal contractors that handle billing, repayment plan enrollment, loan consolidations, and other related tasks. These servicing entities help borrowers manage their student loans and are subject to comprehensive and vigorous federal requirements. In the HEA, Congress gives the Department the authority to contract with companies in order to fulfill the requirements of the law. A unified federal regulatory framework promotes consistent, high-quality customer service at a low-cost to the taxpayer. Congress has given the Department sole regulatory and procurement authority when it comes to contracting with companies for origination, servicing, and collection of federal student loans. The Ninth Circuit, in the case of *Chae v. SLM Corp*, adjudicated this congressional intent when it found that “permitting varying state law challenges across the country, with state law standards that may differ and impede uniformity, will almost certainly be harmful

.”¹¹⁰
 The PROSPER Act maintains the federal preemption and further clarifies entities under contract are exempt from state and local rules seeking to impose requirements when such entities are carrying out federal student loan activities. A number of states have proposed or passed a series of well-intentioned requirements in an effort to improve servicing for students. Unfortunately, these rules and laws are often contradictory or duplicative of federal requirements. They threaten to undo the unified regulatory framework and further complicate borrowers’ efforts to repay student loans. The majority of borrowers’ negative experiences arise from a misunderstanding of the terms of their loans, which are determined by statute or regulation, and cannot be changed by a loan servicer. Guaranteeing federal student loans are treated the same for borrowers across the country will help borrowers have a better understanding of their opportunities to succeed in repayment and develop a solid financial history. State attempts to add servicing rules will not ensure the long-term financial safety of federal student loan borrowers and will instead make it difficult, to the detriment of borrowers, for the Department to implement its student loan programs. These state regulations will also have a harmful effect on the cost of operating the federal loan program. The Committee is committed to providing all federal student loan borrowers a high-quality borrowing experience and looks forward to working with the Department to modernize and update federal student loan servicing.

¹⁰⁹ Testimony of Brit Kirwan, *Hearing on Challenges and Opportunities in Higher Education*, supra note 55.

¹¹⁰ *Ann Chae, et al v. SLM Corporation, et al*, No. 08–56154 (9th Cir. 2010).

State authorization

For more than 50 years, the HEA has required an institution of higher education participating in federal student aid programs be authorized to provide a postsecondary educational program within a state.¹¹¹ The state authorization regulation promulgated by the Obama administration has been plagued by numerous implementation issues and delays¹¹² and micromanages how states comply with this long-standing requirement. The Committee believes the state authorization regulation imposes a one-size-fits-all requirement that will harm students and public and private colleges. In issuing the regulation, the federal government overstepped its traditional role in the higher education accountability triad of utilizing the knowledge and expertise of states and accrediting agencies to measure and ensure institutional quality. The rule also infringes on the right of states to regulate their higher education institutions. Therefore, H.R. 4508 repeals the state authorization regulation and returns to states the authority for authorizing institutions to operate, and it prohibits the Secretary from further regulating in the area.

One of the more troubling aspects of the state authorization regulation is its impact on distance education programs. Under the regulation, institutions of higher education that offer distance education programs are forced to seek authorization in each state in which the students it serves live, no matter how few students from a state might be served, leading to increased costs and decreased access for students. During a March 11, 2011, hearing Mr. John Ebersole, President of Excelsior College, an online institution of higher education, discussed the burden the state authorization regulation will impose on his institution:

We do know we have put money in our budget for compliance and we estimate that at our institution by the time we hire the additional staff that will be necessary to coordinate this and we pay the fees which each of these states requires we are going to have an annual recurring cost of somewhere between \$150,000 and \$200,000 which when multiplied by the number of institutions that offer online programs today, we are talking about an additional cost which will eventually be passed to students of \$500 million.¹¹³

The Association of Public and Land-grant Universities also undertook an analysis of the cost of seeking authorization in each state where a distance education student resides, finding:

Cost estimates for institutions to achieve full compliance range from \$76,100 for a public community college to comply with requirements in five states for 257 students to \$5.5 million for a public university system to comply with 49 states. These estimates do not include the additional

¹¹¹ 20 U.S.C. § 1001(a)(2) (1965).

¹¹² Russell Poulin and Marianne Boeke, *History of State Authorization*, wceet, <http://wceet.wiche.edu/focus-areas/policy-and-regulation/state-authorization/history>.

¹¹³ Testimony of John Ebersole Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training, *Hearing on Education Regulations: Federal Overreach into Academic Affairs, March 11, 2011*, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=227134>.

expense of staff time, which may cost some institutions as much as \$195,000. State authorization procedures often duplicate those of accrediting agencies, creating unnecessary and redundant costs for institutions. For those states where an institution has very few students, the cost of compliance may exceed tuition revenue.¹¹⁴

H.R. 4508 further clarifies institutions must demonstrate authority to operate only in those states in which the institution maintains a physical location.

Accreditation

Accreditation is often a costly, burdensome, and rigidly bureaucratic endeavor. The Committee is concerned the role of accreditation has shifted from its historical purpose—assuring the quality of educational delivery—to a more compliance-focused role where accreditors are required to perform duties for which they are not necessarily well suited and that are unrelated to academic quality, such as reviewing facilities and equipment, fiscal capacity, and evidence of compliance with Title IV responsibilities. The Committee believes refocusing accreditation standards on educational quality and student learning as well as reducing the federal government's burdensome and duplicative regulations may provide accreditors the capacity to restore their focus on academic quality and improvement of institutions.

Currently, accreditors are required to evaluate institutions based on 10 different areas, most of which are unrelated to academic quality, including on facilities and equipment, fiscal capacity, and evidence of compliance with Title IV responsibilities. H.R. 4508 replaces the 10 standards with a requirement that accreditors have standards to assess the institution's success in relation to the institution's mission with respect to student learning and educational outcomes. Under the legislation, accreditors are required to define expected student learning goals and educational outcomes for institutions or to require their institutions to do so themselves. Institutions must then demonstrate performance against those expected measures as part of their review. The Committee notes that nothing in the legislation would prevent accreditors from continuing to have other standards in place that assess institutional quality.

Dr. Michale McComis, Executive Director of the Accrediting Commission of Career Schools and Colleges, testifying at an April 25, 2017, hearing noted:

[A]ccreditors must do better at defining student achievement outcomes with greater transparency to show how these measures are applied so that the public and policy makers can rely on the results of those evaluation processes. Accreditation, as the sector with the principle responsibility for quality assurance in higher education, needs to work earnestly toward moving the discussion of

¹¹⁴*State Authorization Reciprocity Agreement*, Association of Public and Land-Grant Universities, <http://www.aplu.org/projects-and-initiatives/project-degree-completion/sara/index.html>.

accreditation's effectiveness from that of skepticism to confidence.¹¹⁵

In an effort to increase institutional accountability without involvement by the federal government, H.R. 4508 requires accreditors to have a system in place in which they annually identify institutions or programs accredited by the agency that may be experiencing difficulties accomplishing their missions with respect to their established student learning and educational outcome goals. Under the legislation, accreditors are directed to, as appropriate, use information such as student loan default or repayment rates, retention or graduation rates, evidence of student learning, financial data, and other indicators to identify at-risk institutions and require those institutions or programs to address deficiencies and ensure that any plan to address and remedy deficiencies is successfully implemented. The Committee believes this provision increases transparency and accountability without tying performance to an automatic sanction. Accreditors will be able to consider institutional mission and other factors impacting performance, such as students served, when reviewing the institution.

H.R. 4508 requires all accrediting agencies wishing to be recognized by the Secretary to meet the same criteria, including being separate and independent from any related, associated, or affiliated trade association or membership organization. This guarantees the recognition of an accreditation agency by the Secretary means the same thing across all types of accreditors. The Committee believes requiring accrediting agencies to be independent of affiliated trade associations will mitigate any potential conflicts of interest that accreditors may have in accrediting their own members. Under the PROSPER Act, any agency or association with a voluntary membership and the principal purpose of accrediting institutions will also be allowed to apply for recognition by the Secretary, breaking up the accreditation monopoly and expanding which types of entities can be accreditors.

H.R. 4508 strikes provisions that single out institutions offering distance education and require accreditors to demonstrate the ability to review, evaluate, and assess the quality of any instruction delivery model or method the agency seeks to include within its scope of recognition. However, as distance education has become a norm, the Committee expects institutions that offer distance education to have security mechanisms in place to ensure the student who registers for the course or program is the same student who participates in the course and completes the program to receive academic credit. The security mechanisms utilized should ensure that a log-in to the institution is not easily transferable from one individual to another individual. Authentication technology continues to evolve at a fast pace, offering a range of solutions to address financial and academic fraud that would otherwise undermine the public confidence of the distance education sector. The Committee strongly believes the security mechanisms put in place should not infringe on any student's privacy and should be implemented in a less burdensome and intrusive way.

¹¹⁵Testimony of Michale McComis Before the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Development, *Hearing on Strengthening Accreditation to Better Protect Students and Taxpayers*, April 27, 2017, <https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=401569>.

The Committee believes increasing flexibility in how often accreditors need to review institutions and in what they require of institutions during review cycles will improve efficiencies and flexibility. H.R. 4508 provides accreditors with clear authority to undertake differentiated reviews that reflect the institution's history of meeting accreditation standards and record of performance on key metrics. Additionally, the PROSPER Act requires accreditors review only substantive changes that significantly impact the educational mission or programs offered at an institution and prohibits the Secretary from further regulating in this area. Furthermore, under current law, institutions not under any sanction from their accreditor are not permitted to change accreditors without first getting approval from the Secretary. The Committee believes this is an unnecessary requirement for institutions in good standing with their accreditor. H.R. 4508 allows institutions not under sanction by their accreditor or a state agency to change accreditors without the approval of the Secretary, provided the institution notifies the Secretary of the change.

Federal requirements on accreditors often prohibit them from approving innovative programs. Mr. McComis highlighted the need for flexibility to allow for innovation in his testimony before the Committee, saying "for the sake of higher education's advancement, the higher education community—including accrediting agencies—must be allowed to adapt and innovate in order to accommodate the diversity of students, student preferences, and learning styles."¹¹⁶ The Committee agrees with Mr. McComis and included a wavier process in the PROSPER Act, based on H.R. 3869, the *Innovation in Accreditation Act*, introduced by Rep. Bradley Byrne (R-AL), through which an accreditor can apply to have a requirement waived if the accreditor can demonstrate such waiver is necessary to enable an institution of higher education or program to implement innovative practices.

H.R. 4508 requires accreditors to post on their websites for public inspection a list of all institutions accredited by the agency, the year the accreditation was granted, the date of the most recent comprehensive evaluation, and the anticipated date of the next evaluation. Accreditors are also required to post all actions taken and a summary of why any adverse actions were taken. The Committee believes providing the public with access to summary information on individual institutions' accreditation reviews will help increase transparency and public accountability while still maintaining the usefulness of the accreditation process to institutions.

Additionally, the Committee believes federal intrusion in transfer of credit decisions is an inappropriate federal overreach into issues of academic freedom. However, the Committee is concerned over reports that some students are unable to easily transfer credit and continue their education when going from a nationally to regionally accredited institution. The Committee agrees with the sentiments regarding balance in the use of accreditation status in transfer decisions expressed in the "Joint Statement on the Transfer and Award of Credit" by the American Association of Collegiate Registrars and Admissions Officers, the Council for Higher Education Accreditation, and the American Council on Education:

¹¹⁶ *Id.*

Institutions and accreditors should ensure that decisions about awarding transfer credit are not made solely on the source of accreditation of the sending program or institution. While acknowledging that accreditation is an important factor, receiving institutions ought to make clear their institutional reasons for accepting or not accepting credits that students seek to transfer. Students should have reasonable explanations about how work for which students seek transfer credit is or is not of sufficient quality when compared with the receiving institution and how work is or is not comparable with curricula and standards to meet degree requirements of the receiving institution.¹¹⁷

Accreditors are currently required to consistently apply and enforce standards that respect the stated mission of the institutions they accredit, including religious missions. However, accreditation actions in the past have raised concerns that accreditors may be acting inconsistently with this requirement. H.R. 4508 clarifies the religious mission of an institution may be reflected in the institution's beliefs, speech, standards of conduct, and policies, including any policies regarding admission, retention, employment, housing, or student conduct. The legislation also makes clear an accreditor's standard fails to respect an institution's religious mission when the standard induces or pressures an institution to act contrary to, or to refrain from acting in support of, any aspect of its religious mission. The PROSPER Act provides institutions the option to file a complaint with the Secretary if the institution believes an adverse action of an accrediting agency fails to respect the institution's religious mission. The Committee believes that to maintain the important diversity of the American higher education system accreditors must continue to respect institutional missions in their review process.

Eligibility and certification procedures

The Secretary is required under the law to ensure federal student aid funds only flow to institutions of higher education that are financially healthy. The report from the Task Force on the Federal Regulation of Higher Education evaluated the current financial responsibility standards and the process used by the Secretary to determine financial responsibility. The task force found that the Department is not living up to this responsibility:

[T]he agency has incorrectly interpreted and implemented the accounting definitions and standards used to calculate the financial responsibility composite scores for private nonprofit, and for-profit institutions. It has also failed to follow the statutory requirement to consider the overall financial health of an institution and has deemed institutions as failing based solely on these composite scores. These policies need to be revised to promote greater transparency about the method by which the Department reaches its determinations and a process that allows institutions to challenge them. This would include allowing

¹¹⁷Joint Statement on the Transfer and Award of Credit, AACRAO, CHEA, & ACE (Oct. 2, 2017), <https://www.chea.org/userfiles/uploads/Joint-Statement-Transfer-Award-Credit-2017.pdf>.

schools to submit additional evidence of their overall financial health.¹¹⁸

H.R. 4508 reforms the process by which the Secretary determines if an institution is financially responsible to ensure a more accurate determination. The legislation also provides for alternative ways of determining an institution's financial responsibility beyond the federally calculated composite score by relying more extensively on already existing industry and professional standards. The legislation provides for an official review, appeal, and transparency process for institutions continuing to use the federal composite score that allows for the current financial situation at an institution to be considered and establishes a timeline for institutions to correct financial weaknesses. The Committee expects the Secretary to follow statutory requirements under this section as well as ensure the use of current accounting practices when carrying out these provisions.

Additionally, the Committee believes the program review process should be improved. At a February 7, 2017, hearing, Dr. Kirwan underscored the Committee's concerns and called for reforms to the program review process, noting:

[T]he Department should be required to act in a timely manner when conducting program reviews and investigating and resolving complaints.

Under the HEA, colleges and universities are required to submit documents and other records requested by the Department within a prescribed amount of time. While institutions are required to adhere to strict time lines in terms of responding to the agency's requests, there are no time limits imposed on the Department in terms of issuing a final determination after a program review.

By way of example, in May 2013, Yale University was ordered to repay financial aid funds based on a Department of Education audit undertaken in 1996. The University of Colorado received a similar demand based on a 1997 audit. Even though the universities appealed in a timely fashion, it took 17 and 16 years, respectively, for the Department to take action. Taking over 10 years to complete a program review and issue fines should not be considered acceptable.¹¹⁹

H.R. 4508 addresses these lapses by requiring the Secretary to conduct, respond to, and conclude program reviews within specified timeframes. The legislation also requires the Secretary to provide a written explanation to an institution upon the initiation of a program review detailing the reasons for the review when practicable. The Committee urges the Secretary to make every effort to complete program reviews as quickly as possible but in no longer than the timelines outlined in the legislation.

Title V—Developing Institutions

Title V of the HEA authorizes institutional aid to Hispanic-Serving Institutions (HSIs). To be designated as an HSI, an institution

¹¹⁸ Task Force on Federal Regulation of Higher Education, *supra* note 98.

¹¹⁹ Testimony of Brit Kirwan, *Hearing on Challenges and Opportunities in Higher Education*, *supra* note 55.

must have at least 25 percent of enrolled students who are Hispanic-American. Of the 700 institutions that are eligible to receive institutional aid according to the 2017 Eligibility Matrix released by the Department, more than 300 institutions are HSIs.¹²⁰ Also, Hispanic enrollment has increased more than 10 percent from 2005 to 2015.¹²¹

The PROSPER Act reauthorizes the Developing Institutions program in Title V, making similar reforms to the program as were made for institutions participating in the institutional aid programs in Title III. Like programs in Title III, the bill expands the allowable uses to include activities such as establishing community outreach programs, developing career-specific programs, establishing dual or concurrent enrollment programs, and establishing pay for success initiatives. The bill also explicitly allows institutions to award scholarships from their endowments and promotes institutional self-sustainability by requiring eligible institutions develop a comprehensive plan to maximize resources that will result in institutions needing less institutional aid to offer the same services to their students. Furthermore, a completion rate of at least 25 percent also applies to HSIs.

Title VI—International education programs

The international education programs in the HEA authorize the Secretary to award grants to institutions to enhance instruction in foreign language and area studies and to support research, faculty exchanges, and student fellowships.

The PROSPER Act repeals all unfunded programs and reauthorizes all currently-funded programs under Title VI, except the Undergraduate International Studies and Foreign Language program (UISFL) and the American Overseas Research Centers (AORC) program. Services found in the AORC program and the UISFL program closely mirror services found in the National Resource Centers program, such as the linkages maintained between overseas institutions or organizations that may contribute to the teaching and research of the center or program; basic functionalities to include teaching, research, and curriculum development; and the support for faculty, staff, and student travel. The Committee believes students can benefit from the services and opportunities in the National Resource Centers programs and, therefore, H.R. 4508 streamlines this title and repeals the duplicative AORC and UISFL programs.

The PROSPER Act requires an institution to assure the Secretary it will support a diverse perspective and wide range of views to generate debate on world regions and international affairs. The Secretary is required to submit an annual report to Congress on how institutions are complying with this requirement, and H.R. 4508 clarifies institutions receiving these funds shall not promote any biased views that are discriminatory toward any group, religion, or population of people, such as anti-Semitic views. The Com-

¹²⁰ *Eligible Institutions for Title III and Title V Programs*, *supra* note 31.

¹²¹ *Digest of Education Statistics, Table 302.60: Percentage of 18- to 24-year-olds enrolled in degree-granting postsecondary institutions, by level of institution and sex and race/ethnicity of student: 1970 through 2015*, National Center for Education Statistics (2016), https://nces.ed.gov/programs/digest/d16/tables/dt16_302.60.asp.

mittee believes institutions should present views that are unbiased and non-discriminatory.

Title VII—Graduate and postsecondary improvement programs

Graduate education programs

Title VII of the HEA allows entities to apply for a competitive grant to assist students pursuing a degree beyond undergraduate education. In an effort to streamline this title, H.R. 4508 repeals unfunded programs and maintains those programs that received funding in FY 2017. The eliminated programs include the Fund for the Improvement of Postsecondary Education and the College Access Challenge Grant program.

Programs for students with disabilities

H.R. 4508 reauthorizes key programs to support students with disabilities, while repealing programs and activities that have already been carried out or that have not received funding. The bill also restructures funding for the Coordinating Center and the National Technical Assistance Center to bring these provisions in line with their current funding arrangements. The Committee believes this approach reflects the bipartisan, bicameral priorities that have been established by multiple Congresses. In particular, the Committee believes reauthorizing the Model Transition Programs and maintaining language that offers participating students access to certain federal financial aid will encourage colleges and universities to expand critical postsecondary education opportunities for students with intellectual disabilities.

Title VIII—Other repeals

H.R. 4508 repeals all programs in Title VIII, most of which have never received funding. While the majority of Title VIII programs have never been funded, programs in other titles serve the populations Title VIII programs are designed to serve and are reauthorized under the PROSPER Act. Repealing the Title VIII programs will ensure any future funding to assist these populations is directed toward programs authorized under H.R. 4508, thereby maximizing funding, streamlining programs that serve these populations, and protecting congressional priorities.

Title IX—Amendments to other laws

Education of the Deaf Act

H.R. 4508 reauthorizes the *Education of the Deaf Act* (EDA), which authorizes the operation of Gallaudet University and the National Technical Institute for the Deaf. The bill repeals unfunded programs within EDA, while maintaining support for these two institutions that offer critical elementary, secondary, and postsecondary education opportunities to students who are deaf and hard of hearing. The bill maintains bipartisan language related to Gallaudet University's compliance with the *Every Student Succeeds Act*, while providing the university increased flexibility in how to meet those requirements. This change will ensure the Laurent Clerc National Deaf Education Center programs are held account-

able for delivering an excellent education, freeing the university from the obligation to partner with another state for use of that state's academic standards, assessments, and accountability system. The bill also makes changes to the Gallaudet University Board of Directors. H.R. 4508 increases the total number of board members from 21 to 23, equalizes the number of Senators and Members of the House of Representatives on the board, and ensures bipartisan representation. These changes will increase the accountability of the university to Congress and taxpayers and maintain the balance of board members from the public and private sectors.

Tribally Controlled Colleges and Universities

H.R. 4508 reauthorizes the *Tribally Controlled Colleges and Universities Assistance Act* to continue funding for institutions created and chartered by tribal governments or the federal government to provide higher education to American Indian students through local, culturally based programs. The Committee believes students should have a variety of options to choose from when pursuing higher education, including programs that support cultural traditions and heritage.

General Education Provisions Act

H.R. 4508 amends the student privacy section of the *General Education Provisions Act* known as the *Family Educational Rights and Privacy Act* (FERPA). Under FERPA, student records are prohibited from being shared without consent unless one of the exceptions is met. The amendment adopted adds the authority for an institution of postsecondary education to share a student record with the student's previous institution to apply the coursework from one institution to the other for the purposes of awarding a recognized credential, a process known as "reverse transfer." Importantly, the amendment includes a requirement to get consent from the student prior to the awarding of the credential. Student records contain personal information that exceeds the student's educational information, and the records should be shared in very limited circumstances and only for the benefit of students. When sharing a record, schools must weigh the balance of protecting the student's privacy and improving the student's education. Through the reverse transfer process, students may benefit from receiving a credential they had not realized they had earned, but ensuring students consent before conferring such credential is a critical recognition of the importance of student privacy.

Conclusion

Americans have invested billions of dollars and countless hours of hard work into higher education in an effort to earn a better job and live a fulfilling life. But the promise of postsecondary education in this country is broken. Unfortunately, today's chaotic maze of federal aid programs, requirements, and red tape has driven up college costs and made pursuing and finishing a postsecondary education unworkable for far too many individuals at a time when more businesses are demanding their employees attain postsecondary credentials to fill technical, high-skill, good-paying jobs. Americans deserve better.

It is time to put the postsecondary system on track to meet the needs of students. The reforms in the PROSPER Act reimagine the outdated concepts of higher education and support students in completing an affordable postsecondary education that will prepare them to enter the workforce with the skills they need for lifelong success.

SECTION-BY-SECTION

Section 1. Short title and table of contents

Designates the bill as the “*Promoting Real Opportunity, Success, and Prosperity Through Education Reform Act* (PROSPER Act)” and lists the sections of the bill. The legislation is organized into nine titles: (1) General Provisions; (2) Expanding Access to In-Demand Apprenticeships; (3) Institutional Aid; (4) Student Assistance; (5) Developing Institutions; (6) International Education Programs; (7) Graduate and Postsecondary Improvement Programs; (8) Other Repeals; and (9) Amendments to Other Laws.

Section 2. References

Clarifies the following amendments and repeals are, unless otherwise stated, being made to the *Higher Education Act of 1965* (HEA).

Section 3. General effective date

Sets the effective date at the date of enactment of the PROSPER Act.

TITLE I—GENERAL PROVISIONS

Part A—Definitions

Section 101. Definition of institution of higher education

Collapses the two definitions of “institution of higher education” into one, but maintains the eligibility exclusion of proprietary institutions for grant programs in Titles III and V.

Section 102. Institutions outside the United States

Outlines qualifications for institutions outside of the United States to be eligible to participate in Title IV aid.

Authorizes American students with Title IV aid to attend foreign medical schools by counting all students in the passage rate on the United States Medical Licensing Examination (USMLE), changes the USMLE passage rate to an aggregate rate of 75 percent, and creates a grace period of two years for foreign institutions to have a passage rate of no lower than 70 percent before losing Title IV eligibility.

Authorizes institutions to partner with non-Title IV institutions to offer courses to students in certain programs. Allows institutions to submit audited financial statements prepared in accordance with their home country regardless of the amount of Title IV funds received as long as the statements are comparable to the International Financial Reporting Standards.

Removes the requirement that the Secretary of Education (the Secretary) pre-approve a clinical education program as long as it is operated by an accredited hospital or clinic in the United States or

at a Liaison Committee on Medical Education accredited institution in Canada.

Section 103. Additional definitions

Amends the definitions of the terms “early childhood education” and “nonprofit.” Repeals the definition of the term “distance education.” Adds definitions for the terms “correspondence education,” “competency-based education,” “competency-based education program,” “competency,” “pay for success initiative,” and “evidence-based.”

Section 104. Regulatory relief

Repeals the following regulations: definitions of “credit hour,” “gainful employment,” and “borrower defense.” Prohibits the Secretary from promulgating or enforcing any regulation or rule with respect to the definition or application of the terms “gainful employment” or “credit hour” for any purpose under the *Higher Education Act of 1965*. Prohibits the Secretary from carrying out, developing, refining, promulgating, publishing, implementing, administering, or enforcing a postsecondary institution rating system or any other performance system to rate institutions of higher education.

Part B—Additional General Provisions

Section 111. Free speech protections

Inserts a sense of Congress that individuals should be free to profess their opinions in matters of religion and that no public institution of higher education receiving funding under the HEA should limit religious expression. Strengthens a sense of Congress that free speech zones and restrictive speech codes are inherently at odds with the First Amendment and that public institutions of higher education receiving funds under the HEA should not restrict the speech of their students. Requires institutions of higher education to annually disclose to current and prospective students any policies held by the institution related to protected speech on campus, including policies limiting where and when such speech may occur. Requires the Secretary to designate an employee at the Office of Postsecondary Education to receive complaints from students who believe an institution is not in compliance with a publicly disclosed policy on speech or is enforcing a policy that has not been previously disclosed.

Section 112. Sense of Congress on inclusion and respect

Expresses a sense of Congress that harassment and violence targeted at students because of their race, color, religion, sex, or national origin should be condemned and that Congress is committed to supporting institutions in creating safe and respectful learning environments that respect people from all backgrounds.

Section 113. National Advisory Committee on Institutional Quality and Integrity

Extends the authorization of the National Advisory Committee on Institutional Quality and Integrity (NACIQI), which was established to advise the Secretary on the federal recognition of accred-

iting agencies, until September 30, 2024. Allows the Secretary to remove any NACIQI member who was appointed by a previous secretary and fill the vacancy, and narrows the scope and functions of the committee to advising the Secretary solely on matters related to accreditation.

Section 114. Repeal of certain reporting requirements

Repeals a provision requiring institutions to submit a detailed report of all foreign gifts or contracts over \$250,000, as well as any restricted gifts from foreign sources.

Repeals a sense of Congress that gives recommendations to institutions on how to address binge drinking on college campuses.

Section 115. Programs on drug and alcohol abuse prevention

Replaces an ineffective requirement that an institution adopt a drug and alcohol abuse prevention program meeting a number of detailed requirements with a clear and straightforward requirement that institutions adopt and implement an evidenced-based program designed to discourage the use of illicit drugs and abuse of alcohol by students and employees. Requires the Secretary, in consultation with the Secretary of Health and Human Services and outside experts, to share best practices for addressing and preventing substance abuse as well as supporting students in substance abuse recovery and provide technical assistance to institutions to implement best practices.

Section 116. Campus access for religious groups

Prohibits any public institution of higher education that denies a religious student organization any right, benefit, or privilege generally afforded to other student organizations on the basis of the organization's religious beliefs, practices, speech, leadership or membership standards, or standards of conduct from receiving funding under the HEA.

Section 117. Secretarial prohibitions

Explicitly prohibits the Secretary from exceeding his/her authority, defining any terms inconsistent with the HEA, or adding any requirements on institutions and states that are not explicitly authorized in the law.

Section 118. Ensuring equal treatment by governmental entities

Prohibits the federal government and other governmental entities receiving federal funding from taking an adverse action against an institution of higher education because of the religious mission of the institution.

Section 119. Single-sex social student organizations

Prohibits institutions from retaliating against single-sex student organizations or members of such organizations on the basis of the organization's single-sex status.

Section 120. Department staff

Directs the Secretary to identify the number of Department of Education (Department) full-time equivalent employees who worked on or administered education programs and projects elimi-

nated or consolidated under the PROSPER Act and reduce the Department staff by that number of employees.

Section 120A. Department of Homeland Security recruiting on campus

Prohibits from receiving funds under the HEA those institutions of higher education with a policy of prohibiting or preventing the Department of Homeland Security from recruiting on campus.

Part C—Cost of Higher Education

Section 121. College dashboard website

Requires the Secretary to create a consumer-tested College Dashboard website that displays key information about colleges and universities, including aggregated information on enrollment, completion rate, cost, and financial aid listed in simple and understandable terms for each institution of higher education that participates in a student aid program under Title IV. Requires the Secretary to include aggregated information on the average debt of borrowers at graduation and the average salary of students who received federal financial aid at both five and 10 years after graduation for each program at a listed institution of higher education. Requires the Commissioner of Education Statistics to ensure completion rates are reflective of all students, including contemporary students and Pell Grant recipients, and the actual length of the program. Instructs the Secretary to provide a link to the College Dashboard page of each institution listed on a student's Free Application for Federal Student Aid (FAFSA) to ensure students know this information is available. Directs the Secretary to coordinate with other federal agencies to ensure published higher education data is consistent with the information available on the College Dashboard.

Section 122. Net price calculators

Requires net price calculators be easily identifiable and prominently posted on institutions' websites where other cost and student aid information is available. Calculators must include information on cost of attendance, available grant aid, and veterans' educational benefits.

Prohibits any personally identifiable information provided by users to institutional net price calculators from being sold or made available to third parties.

Section 123. Text book information

Makes a conforming change related to the definition of an institution of higher education.

Section 124. Review of current data collection and feasibility study of improved data collection

Requires the Secretary to review all current institutional data reporting requirements. Requires the Secretary to explore the feasibility of working with the National Student Clearinghouse to establish a third-party method of producing institution and program-level analysis of the necessary data reported.

Part D—Administrative Provisions for Delivery of Student
Financial Assistance

*Section 131. Performance-Based Organization for the delivery of
federal student financial assistance*

Expands the purpose of the Performance-Based Organization (PBO) to include improving the Office of Federal Student Aid's (FSA) consultation with student aid stakeholders and increasing the transparency of FSA operations. Requires the Secretary and chief operating officer (COO) jointly to submit an annual report to the authorizing committees that includes a summary of this consultation and a description of any actions taken as a result of it. Creates an advisory board at FSA to approve FSA's performance plan, make recommendations on providing bonuses for senior executives, and help FSA adopt best practices for loan management employed in the private sector. Requires FSA to set specific, measurable, and transparent goals for increasing performance.

Section 132. Administrative data transparency

Requires the COO of FSA to be more transparent about the performance of the federal student loan system, including to publicly and electronically report to the public information related to the repayment of loans throughout the lifecycle, public service loan forgiveness, and borrower default. Requires the Secretary and COO to provide researchers a de-identified data file of student loans. Authorizes the Secretary to enter into cooperative intergovernmental data sharing agreements to ensure accuracy of the data provided. Requires the Secretary and COO to ensure any information published or otherwise made available under this section does not reveal personally identifiable information.

*Section 133. Report by GAO on transfer of functions of FSA to the
Department of Treasury*

Requires the Comptroller General to study the feasibility and practicality of moving FSA from the Department to the Department of the Treasury.

Part E—Lender and Institution Requirements Relating to
Education Loans

Section 141. Modification of preferred lender arrangements

Expands the term "covered institution" to include institutions outside the United States. Allows schools to more easily provide information to borrowers on private and state-based loan options. Removes the most burdensome of the preferred lender list requirements, including a report to the Secretary detailing why an institution selected a lender for the preferred lender list, while maintaining certain parameters. Prohibits the Secretary from imposing any preferred lender list requirements beyond those explicitly authorized.

Part F—Addressing Sexual Assault

Section 151. Addressing sexual assault

Requires institutions to survey students at least once every three years to measure campus attitudes towards sexual assault and the general climate of the campus regarding the institution's treatment of sexual assault on campus. Requires institutions to use the results of the survey to improve the institution's ability to prevent and respond to incidents of sexual assault. Requires institutions maintain confidentiality. Requires the Secretary to develop sample surveys that an institution may elect to use but prohibits the Secretary from regulating on the contents of the required survey.

Requires institutions to retain the services of qualified counselors to counsel and support students who are victims of sexual assault and notify students of the availability of the counselor. Requires the counselor to maintain confidentiality to the greatest extent provided by law and notify the victim of any circumstance under which the counselor is required to report information to others. Requires the counselor be considered a recognized professional for purposes of the *Federal Educational Rights and Privacy Act* and not a "responsible employee" under Title IX of the *Education Amendments of 1972* nor a campus security authority under the Clery Act.

Requires institutions to develop a one-page form of information for students who may be victims of sexual assault and make the form widely available to students. Requires the Secretary to create a model form for institutions' use.

Requires the Secretary, in consultation with the Attorney General, to develop best practices for memoranda of understanding (MOU) between institutions and local law enforcement and disseminate the best practices on the Department's website.

TITLE II—EXPANDING ACCESS TO IN-DEMAND APPRENTICESHIPS

Section 201. Repeal

Repeals all programs under Title II and allows funds appropriated for Part A of Title II—in effect on the day before enactment of the PROSPER Act—to be used to carry out that part of the HEA through the end of fiscal year 2018.

Section 202. Grants for access to high-demand careers

Moves an existing competitive grant program for community colleges (referred to as the Strengthening Institutions Program in Title III) to Title II and changes the program's focus to student access to, and participation in, industry-led earn-and-learn programs that lead to high-wage, high-skill, and high-demand careers.

Makes grants available to eligible partnerships consisting of at least one business and one institution of higher education to develop or expand earn-and-learn programs of not more than two years in length that lead to a recognized postsecondary credential and requires a 50 percent match from non-federal funds for those grants.

Authorizes the purchase of appropriate equipment, technology, or instructional materials aligned with industry needs; the purchase of student books, supplies, and equipment required for enrollment;

the reimbursement of up to 50 percent of wages of students participating in an earn-and-learn program; the development of industry specific programming; support of industry-based professionals in the classroom; and payment of fees for certification exams or other assessments associated with a recognized postsecondary credential.

Requires applications for grants under this title be reviewed by a panel of readers consisting of a majority of business representation, with the remainder of the panel equally divided between representatives from institutions with programs of two years or less and state workforce boards.

Requires grants to be awarded based on the number of participants expected to be served by the grant, the anticipated income of program participants, and alignment of the program to be funded with state identified in-demand industry sectors.

Requires the Secretary, acting through the Director of the Institute for Education Sciences, to provide for the independent evaluation of the program. Requires the evaluation include an assessment of the effectiveness of the program in expanding earn-and-learn program opportunities, the completion rates of participants, the median earnings of participants one and three years after exiting the program funded by the grant, the credential attainment rate of program participants, and the sustainability of the program funded by the grant after the end of the grant period.

Authorizes appropriations for each of Fiscal Years 2019 through 2024.

TITLE III—INSTITUTIONAL AID

Section 301. Strengthening Minority-Serving Institutions

Repeals the Strengthening Institutions program. Authorizes, in the Minority-Serving Institution program, pay for success initiatives, dual enrollment, the development of career-specific programs, and community outreach programs.

Allows grants to be used to establish or increase an endowment, with the income from such endowment being used to provide scholarships to students.

Requires a completion rate of at least 25 percent in order to be eligible for funding, with the completion rate calculated by (1) counting a student as completed if that student graduates within 150 percent of the normal time for completion and (2) if a student transferred from a program that provided substantial preparation within 150 percent normal time for completion.

Requires institutions to return any grant funds not expended after 10 years back to the Treasury. Authorizes Alaska Native and Native Hawaiian-Serving Institutions and Native American, Non-tribal Institutions to establish an endowment and award scholarships from that endowment.

Section 302. Strengthening Historically Black Colleges and Universities

Aligns allowable uses of funds for HBCUs with the Minority Serving Institution programs and allows HBCUs to use grant funds for initiatives to improve the educational outcomes of African American males.

Adds the University of the Virgin Islands School of Medicine to the list of eligible graduate institutions that have access to funding allotted for HBCU postgraduate institutions.

Section 303. Historically Black College and University capital financing

Creates a bond insurance fund for new accounts and authorizes existing loans to continue under the existing escrow authority, requires the Advisory Board to report annually to Congress on loans in the program, and requires financial counseling to eligible HBCUs before their participation in the program.

Section 304. Minority Science and Engineering Improvement Program

Makes minor technical changes.

Section 305. Strengthening Historically Black Colleges and Universities and Other Minority-Serving Institutions

Makes minor technical corrections.

Section 306. General provisions

Encourages institutional self-sustainability by requiring eligible institutions to develop a comprehensive plan that strengthens the institution's academic quality and institutional management to improve institutional self-sustainability. Allows the Secretary to waive certain requirements for institutions participating in the program in the event of a major disaster. Authorizes appropriations for all currently funded programs for each of Fiscal Years 2019 through 2024 and repeals unfunded programs.

TITLE IV—STUDENT ASSISTANCE

Part A—Grants to Students in Attendance at Institutions of Higher Education

Section 401. Federal Pell Grants

Reauthorizes the Pell Grant program until Fiscal Year 2024.

Creates a Pell Grant bonus that provides an additional \$300 bonus to students who are taking 15 credit hours, or the equivalent, per semester over the award year, with an effective date of award year 2018–2019.

Directs the Secretary to provide annually an individualized Pell Grant status report to each grant recipient.

Requires institutions to disburse grants to students on a weekly or monthly basis. Sunsets the provision establishing institutional ineligibility based on default rates to correspond with the end of the transition period to the loan repayment rate.

Prohibits students who have received a grant for three award years but did not earn any academic credit from receiving additional Pell Grants. Provides the Secretary additional discretion to stop payments to students with unusual enrollment histories.

Directs the Secretary to prepare and submit a report to authorizing committees on Federal Pell Grant spending for the preceding fiscal year.

Directs the Secretary to report annually on the Pell Grant bonus and the Comptroller General to complete a study on the impact of the Pell Grant bonus.

Section 402. Federal TRIO programs

Changes “prior experience” to “accountability for outcomes” to focus on high quality service delivery.

Prohibits the Secretary from awarding evaluation points to previous grantees if two or more objectives established in the grant application were not met.

Requires the Secretary to reserve not less than 10 percent of funds to award grants or contracts to new grantees and reduces the grant notification period from eight months to 90 days.

Adds a 20 percent matching requirement for all grantees and authorizes the Secretary to reduce or waive this matching requirement due to economic hardship or in response to a petition demonstrating an exhaustion of all revenues.

Mandates the Secretary host at least one virtual, interactive education session using telecommunications technology. Removes the language “rigorous secondary school program of study that will make such students eligible for programs such as the Academic Competitive Grants Program” and replaces it with “secondary school program of study that will prepare such students to enter postsecondary education without the need for remedial education.”

Requires Talent Search and Upward Bound grantees to provide remedial education services to participants where necessary. Adds additional criteria grantees must meet for the Talent Search, Upward Bound, and Veterans Upward Bound.

Requires grantees to maintain, to the extent practicable, a record of any services participants receive during the project year from other TRIO programs or other programs serving similar populations. Requires the Secretary to make program evaluation grants in the TRIO programs and submit a final report not later than three years after the enactment of the PROSPER Act.

Sets aside not less than 10 percent of funds for a grant to be known as the Innovative Measures Promoting Postsecondary Access and Completion grant (IMPACT) to allow any institution to create, develop, implement, or replicate evidence-based initiatives, including pay for success initiatives. Authorizes grants to be awarded in three phases and requires grantees to conduct an independent evaluation of the effectiveness of the project.

Authorizes appropriations for the programs for each of Fiscal Years 2019 through 2024

Section 403. Gaining Early Awareness and Readiness for Undergraduate Programs

Refines the mandatory and allowable activities language to better align to the research on college and career readiness.

Requires the Secretary to host new grant competitions from funds appropriated for the program, and prohibits states from receiving multiple grant awards.

Allows grantees to create their own scholarship program based on criteria such as financial need and satisfactory academic progress and additional criteria aligned with state and local goals to increase postsecondary readiness, access, and completion.

Clarifies the requirements for obtaining a waiver if a partnership is experiencing a significant economic hardship.

Requires the Secretary to add additional metrics to the evaluation of the grants to include the number of students completing the FASFA, the graduation rate of participating students from high school, and the enrollment of students into postsecondary education.

Authorizes appropriations for the program for each of Fiscal Years 2019 through 2024.

Section 404. Special programs for students whose families are engaged in migrant and seasonal farmwork

Authorizes appropriations for the programs for each of Fiscal Years 2019 through 2024.

Section 405. Child care access means parents in school

Requires institutions to leverage non-federal resources and to coordinate with other community-based programs to improve quality and limit costs. Strengthens language to require that low-income students are given priority for services. Allows continuation awards only after documentation of continued need. Requires child care programs to meet applicable licensing standards prior to serving children.

Authorizes appropriations for the program for each of Fiscal Years 2019 through 2024.

Section 406. Repeals

Repeals the Academic Competitiveness Grant program, the Federal Supplemental Educational Opportunity Grants program (FSEOG), the Leveraging Educational Assistance Partnership program, and the Robert C. Byrd Honors Scholarship program. Sets the FSEOG repeal to take effect on June 30, 2018, but allows institutions to use already appropriated funds through the end of the next fiscal year.

Section 407. Sunset of TEACH grants

Sunsetts the Teacher Education Assistance for College and Higher Education (TEACH) Grant program, effective June 30, 2018. Allows current TEACH Grant recipients to continue to receive grants through the conclusion of their program. Moves the definition of a borrower eligible for loan cancellation for serving as a teacher from the Perkins Loan section to this section.

Part B—Federal Family Education Loan Program

Section 421. Federal direct consolidation loans

Makes technical changes to account for the expiration of the Perkins Loan program.

Section 422. Loan rehabilitation

Changes the number of times a borrower may obtain the benefits available with respect to rehabilitating a loan from one time per loan to two times per loan.

Section 423. Loan forgiveness for teachers

Makes technical changes to account for the expiration of the Perkins Loan program.

Section 424. Loan forgiveness for service in areas of national need

Makes technical changes to account for the expiration of the Perkins Loan program

Section 425. Loan repayment for civil legal assistance attorneys

Makes technical changes to account for the expiration of the Perkins Loan program.

Section 426. Sunset of cohort default rate and other conforming changes

Sunsetts the current cohort default rate (CDR) at the conclusion of the transition period to the new program loan repayment rate. During the transition period, ONE loans that go into repayment are included in the CDR.

Section 427. Additional disclosures

Amends the student loan information provided to borrowers to include the annual percentage rate of the loan as calculated using the standard 10-year repayment plan.

Section 428. Closed school and other discharges

Clarifies the loan discharge procedures for borrowers. Codifies parts of the current regulations and requires all loan borrowers seeking a discharge to submit an application.

Part C—Federal Work-Study Programs

Section 441. Purpose; authorization of appropriations

Allows for the full-time employment of individuals through the work-study program. Removes graduate and professional students from program eligibility.

Defines the term “work-based learning” in Part C to mean paid interactions with industry or community professionals in real workplace settings that foster in-depth, first-hand engagement with the tasks required of a given career field that are aligned to a student’s field of study.

Reallocates FSEOG program funds.

Authorizes appropriations for the work-study program for each of fiscal years 2019 through 2024.

Section 442. Allocation formula

Reserves the lesser of 20 percent of the appropriated amount or \$150 million for schools with Pell Grant recipient completion rates in the top 10 percent as compared to peer institutions, or schools with large increases in such completion rates. Permits the Secretary to reserve out of the work-study appropriation an amount necessary to fund work colleges.

Reforms the allocation formula by distributing the funding via a revised fair share formula based on Pell Grant recipients and undergraduate student need. The base guarantee will phase out over five fiscal years as the formula moves entirely to the fair share

model. An institution's fair share is determined using a two-part calculation. Institutional fair share is the sum of Pell Grant funds distributed at each college compared to other similar work-study institutions plus the total amount of undergraduate student need at the college proportional to other similar work-study institutions.

Section 443. Grants for federal work-study programs

Increases the dollar amount by which a student can continue employment in a work-study program in excess of such student's need. Reduces the federal share of funds to 50 percent for all types of student employment.

Requires work-study programs prioritize awarding of funds to students with exceptional need or who are employed in work-based learning opportunities.

Eliminates the arbitrary cap preventing more than 25 percent of an institution's work-study dollars to flow to students working at private-sector companies.

Section 444. Flexible use of funds

Allows institutions to permit students who completed the previous award period to continue to use unearned portions of their work-study award from that previous year if any reduction in the student's need upon which the award was based is accounted for in the remaining portion and the student is currently employed in a work-based learning position.

Section 445. Job location and development programs

Increases the percentage of funds an institution is permitted to use from its allotment under section 442 to establish or expand a program that locates and develops jobs, including apprenticeships, for currently enrolled students.

Strikes a requirement that institutions provide satisfactory assurance funds available under this section will not be used to locate or develop jobs at an eligible institution. Requires institutions to prioritize placing students with the lowest expected family contribution and work-study recipients in jobs located and developed under the section and provide a satisfactory assurance that the institution will locate and develop work-based learning opportunities. Requires institutions submit to the Secretary a report including information on the number of students employed in work-based learning opportunities through such programs, the number of students employed in a work-study program who demonstrate exceptional need, and the number of students who are employed in work-based learning opportunities through such a program who demonstrate exceptional need.

Section 446. Community service

Repeals authority to provide additional funds to conduct community service work-study programs.

Section 447. Work colleges

Reauthorizes the Work Colleges program. Codifies the operational funding formula to ensure funding for Work Colleges is allocated based on the number of participating students proportional to other Work Colleges.

Part D—Federal Direct Student Loan Program

Section 451. Termination of Federal Direct Loan Program under Part D and other conforming amendments

Terminates the Department's authority to make new William D. Ford Direct Loans under Part D after September 30, 2024.

Requires all new borrowers as of July 1, 2019 to borrow under the ONE Loan program under Part E.

Authorizes borrowers with an outstanding undergraduate loan balance as of July 1, 2019, to continue to borrow undergraduate loans under Part D until September 30, 2024. Requires the use of ONE Loans for such borrowers seeking a federal loan for graduate school.

Authorizes parent borrowers of a current dependent student and borrowers with an outstanding graduate loan balance as of July 1, 2019, to continue to borrow graduate loans under Part D until September 30, 2024.

Requires Part D grandfathered borrowers that take out a ONE Loan to forfeit eligibility for Part D Loans.

Makes technical changes to account for the expiration of the Perkins Loan program.

Section 452. Borrower defenses

Repeals the current borrower defense regulation. Adds additional language to require the borrower submit an application in all instances and prohibit student loan discharges without an application. Requires a mandatory administrative forbearance when an application is submitted, and requires the Secretary to inform the borrower of the actions to be taken during the processing of an application. Allows a one-time borrower challenge of the Secretary's decision. Encourages the Secretary to process all applications in a timely manner, and requires submission of a report to Congress explaining the internal rules and procedures regarding the processing of applications. Applies requirements to Direct Loans made under Part D and ONE loans made under Part E, effective July 1, 2018.

Section 453. Plain language disclosure form

Directs the Secretary to develop a consumer-friendly disclosure form for borrowers of federal student loans and report to Congress the methods and procedures followed when developing the plain language disclosure form.

Section 454. Administrative expenses

Authorizes administrative expenses through Fiscal Year 2024, including account maintenance fees for guarantee agencies.

Section 455. Loan cancellation for teachers

Makes technical changes to account for the expiration of the Perkins Loan program.

Part E—Federal ONE Loans

Section 461. Wind-down of federal Perkins Loan program

Repeals the Perkins Loan program. Requires institutions to submit a written request to the Secretary for a final program audit no

later than 60 days after the institution terminates its participation in the program.

Clarifies institutions have terminated their participation under the program if they stop servicing and collecting Perkins Loans or if they have completed the servicing and collection of Perkins Loans and have completed the asset distribution requirement. Clarifies that any institution that has made short-term loans to itself in order to disburse additional Perkins Loans, and subsequently repaid itself the loan, shall retain any interest earned on those Perkins Loans. Clarifies the federal share of the Perkins Loan revolving fund will return to the Treasury.

Section 462. Federal ONE Loan program

Establishes the Federal ONE Loan program, an unsubsidized loan program effective for all new borrowers as of July 1, 2019.

Retains current requirements for existing and previous Federal Family Education Loan (FFEL) and Direct Loan borrowers.

Requires ONE Loans disbursement to students on a weekly or monthly basis, with the exception of upfront costs.

Allows third-party servicers to send an “unvalidated” access device to a borrower and requires the borrower’s consent to use the device before the third-party servicer is allowed to validate the device.

Establishes annual and aggregate borrowing limits. Provides increased limits through September 30, 2024, for current graduate and parent PLUS loan borrowers who make the switch to Part E borrowing and have already neared or exceeded the new limits in order to complete their or their dependent’s course of study. Allows financial aid administrators to lower limits for certain categories of borrowers, including those attending less than full-time. Gives financial aid administrators discretion to raise limits back up to the statutory caps for certain borrowers demonstrating special circumstances or exceptional need. Maintains the allowance to raise borrowing limits for certain graduate health programs.

Maintains current law, using market-driven interest rates for undergraduate and parent loans. Establishes that the graduate interest rate is set at the graduate Stafford loan market-driven interest rate. Eliminates the origination fee on all Federal ONE loans. Maintains no accrual of interest for Active Duty Service Members benefit in current law.

Pares down the number of repayment options to one standard 10-year repayment plan and one income-based repayment (IBR) plan. Requires borrowers in IBR to pay 15 percent of their discretionary income, without an income cap or financial hardship eligibility standard. Prohibits the Secretary from creating a new repayment plan or modifying an existing repayment plan.

Establishes Federal ONE Consolidation Loans that operate similar to Direct Consolidation Loans. Sets the interest rate for the consolidated loan to the nearest one-eighth of 1 percent of the weighted average interest rate of the loans being consolidated. Allows borrowers to pay according to the ONE Consolidation Loan schedule. Authorizes a temporary loan consolidation program through July 1, 2024.

Consolidates existing forbearances and labels all such options as deferments. Deferments are defined as temporary cessation of pay-

ment. Authorizes interest to accrue and capitalize under all deferments except for administrative deferments. Authorizes eight deferment options for ONE Loan borrowers: (1) in-school; (2) grace period; (3) periods when borrower is pursuing graduate fellowship or rehabilitation education program; (4) active duty; (5) National Guard duty; (6) medical or dental internship or residency program; (7) 120-day deferment for defaulted borrowers who sign a new agreement to repay their outstanding balance; and (8) administrative deferments. Gives parent borrowers and any ONE Parent Loan endorsers additional deferment options, including when (1) receiving public assistance; (2) working full-time but are near or under the poverty line; (3) experiencing economic hardship; (4) accruing high medical expenses; and (5) seeking but unable to find full-time employment. Prohibits the Secretary from authorizing additional deferment options or periods of deferment besides those authorized in statute.

Requires a plain language disclosure form.

Applies a number of current law Part B provisions to ONE Loans, including with respect to (1) usury laws, (2) the sale or assignment of a loan as part of a default reduction program, (3) reports to consumer reporting agencies and institutions of higher education, (4) legal powers and responsibilities of the Secretary, (5) uniform administrative and claims procedures, (6) common forms, (7) loan cancellation for deceased or disabled borrowers, and (8) the treatment of loans in bankruptcy proceedings. Permits loans to go through rehabilitation twice.

Part F—Need Analysis

Section 471. Cost of attendance

Strikes the prohibition on institutions from setting a lower cost of attendance for students receiving all or part of their instruction through telecommunications technology.

Section 472. Simplified needs test

Updates the maximum income threshold required to qualify for the simplified version of the FAFSA to be in line with the Internal Revenue Service's income requirements to file the 1040EZ or 1040A tax form.

Section 473. Discretion of student financial aid administrators

Provides financial aid administrators the discretionary authority to reduce a student's eligibility to receive financial aid if the student's instructional delivery model results in a substantially reduced cost of attendance to the student.

Section 474. Definitions of total income and assets

Requires the Secretary to use data from the second preceding tax year when determining financial aid eligibility.

Excludes 529 college savings plans from counting as assets when calculating student need.

Part G—General Provisions Relating to Student Assistance

Section 481. Definitions of academic year and eligible program

Creates a new academic year definition for the purposes of competency-based education programs.

Allows for competency-based education programs that use a subscription model to be treated as term-based for the purpose of establishing payment periods.

Decreases the minimum length of an eligible program under Title IV to at least 300 clock hours of instruction, eight semester hours, or 12 quarter hours, offered during a minimum of 10 weeks.

Expands the definition of an “eligible program” under Title IV to include competency-based education programs that have been evaluated and approved by a recognized accrediting agency.

Allows new providers of higher education, called an “ineligible institution or organization,” to partner with traditional colleges and universities to provide up to 100 percent of a student’s educational program. Requires accreditor approval for partnerships where the ineligible institution or organization provides more than 25 percent of the educational program.

Section 482. Programmatic loan repayment rates

Creates a program-level loan repayment rate that replaces the institutional-level CDR.

Establishes a programmatic loan repayment rate.

Provides borrowers are in positive repayment status if (1) the borrower’s loans are in repayment and less than 90 days delinquent; (2) the borrower’s loans are paid in full (but not through consolidation); or (3) the borrower’s loans are in an in-school or military-related deferment or forbearance.

Requires those programs with three most recent official loan repayment rates lower than 45 percent to not be considered an eligible program for the purposes of Title IV for the remainder of the fiscal year in which the institution is notified of a program’s sanction and for the following two fiscal years, except in the event of a successful appeal.

Allows appeal of loan repayment rate determinations for any program in which the institution can prove the Department erred in calculating the rate or the participation rate of federal student loan borrowers in the program is sufficiently low.

Requires the Secretary to report official loan repayment rates for each program at an institution for which a loan repayment rate is calculated each fiscal year. Requires the Secretary provide institutions with draft loan repayment rates for every program at least six months prior to the release of the official rates.

Establishes a transition period from CDR calculations to the loan repayment rate calculations.

Section 483. Master calendar

Updates the master calendar to ensure the Secretary provides adequate notification and timely delivery of student aid funds to institutions.

Section 484. FAFSA simplification

Allows students to provide written consent to share their financial aid information with student-designated scholarship granting organizations. Prohibits maintaining, selling, or using the information for any purpose other than to award a scholarship to the student.

Requires the Secretary to make the FAFSA available on a mobile application no later than one year after the enactment of the PROSPER Act and requires the online and mobile applications to be consumer-tested. Requires the Secretary to allow applicants to more easily import their available income data through the Internal Revenue Service data retrieval tool. Requires the Secretary to continue to examine whether data provided by the Internal Revenue Service can be used to generate an expected family contribution without additional action on the part of the student and taxpayer. Requires the Secretary to report to the authorizing committees annually on the progress of FAFSA simplification efforts and the security of the data retrieval tool.

Section 485. Student eligibility

Codifies the current regulation to require institutional satisfactory academic progress policies include a quantitative standard that requires students to be on pace to graduate within the maximum timeframe for completion in order to continue federal student aid eligibility.

Restores federal student aid eligibility for students without a high school credential who have been determined by their institution as having the ability to benefit from the education or skills development provided by the institution upon satisfactory completion of six credit hours or the equivalent of postsecondary education. Removes the current eligible career pathways requirement to allow more students without high school credentials who have demonstrated they can handle the rigor of higher education to participate in federal financial aid programs.

Clarifies students who have completed a secondary school education in a home school setting that is treated as a home school or private school under state law or provided by a school operating as a nonprofit corporation that offers a program of study determined acceptable for admission at an institution of higher education are eligible for federal student aid under Title IV.

Removes the current eligibility link between the federal student aid system and Selective Service registration for students who are 26 years of age or older and no longer able to register for the Selective Service.

Section 486. Statute of limitations

Makes technical changes.

Section 487. Institutional refunds

Streamlines aid calculations to ensure students do not earn all of their aid until they actually complete the payment period for which they are enrolled.

Shifts the burden of repaying unearned aid to the institution when a student withdraws from an institution, and allows institu-

tions to require a student to pay up to 10 percent of the institution's obligation.

Requires institutions to return unearned aid, first to Pell Grants and then to loans, no later than 60 days from the withdrawal determination.

Clarifies which institutions are required to take attendance and how withdrawal dates are determined by the institution.

Section 488. Information disseminated to prospective and enrolled students

Requires disclosures to students and prospective students be published on the institution's website. Streamlines disclosure requirements.

Requires institutions to have a policy prohibiting copyright infringement and to publish such policies and related sanctions on the institution's website.

Requires exit counseling include information on the borrower's outstanding loan balance, anticipated monthly payments under various repayment plans, the grace period preceding repayment, and organizations servicing the borrower's loans.

Clarifies that institutions are required to make timely warnings to the campus community about crimes that pose a serious and continuing threat to safety and gives institutions the discretion to make such determinations.

Provides institutions clear authority to respect requests from a law enforcement agency or a prosecutor to delay or suspend investigations or institutional disciplinary proceedings regarding campus sexual assault without being penalized.

Requires crime reporting under the Clery Act be consistent with the definitions used by the Department of Justice's Uniform Crime Reporting (UCR) Program where possible. Provides a safe harbor for institutions that make a reasonable and good faith effort to report crimes according to a definition provided by the Secretary when there is no UCR Program definition available. Requires institutions to report crimes according to the UCR Program's Hierarchy Rule.

Requires all institutional investigations or disciplinary processes invoked to address incidents of sexual violence to be prompt, impartial, and fair to both the accuser and the accused.

Allows an institution to determine the standard of evidence it deems most appropriate for institutional disciplinary proceedings involving sexual assault, as long as it is not arbitrary or capricious and is applied consistently for all proceedings and requires the standard chosen by the institution be clearly communicated to students.

Requires the Secretary to create modules to educate officials conducting investigations and disciplinary proceedings on issues related to sexual assault and how to conduct fair investigations and proceedings. Requires the modules be developed in consultation with campus experts, local law enforcement, victim advocates, due process experts, and other experts. Requires modules be available to colleges and universities and deems any institution that chooses to use them in compliance with its education obligations.

Streamlines fire safety-related reporting requirements by requiring institutions to publish an annual fire safety report that in-

cludes fire safety practices and standards, statistics on fire related incidents or injuries, and preventative measures or technologies.

Streamlines missing person procedures by requiring institutions to notify the student's designated emergency contact and law enforcement and, if the student is under 18, the student's parent if the student goes missing. Allows institutions to use existing general emergency contact information.

Requires interactive, online or in-person, student loan counseling provided by the institution's financial aid office that is tailored to a borrower's individual situation. Requires annual counseling before an individual takes out a loan so the borrower has the most up-to-date information about their present and future loan balance and likely payment schedule. Requires the annual counseling to include recommendations for students to exhaust available grant, work-study, and scholarship assistance before taking out loans. Requires information to be shared regarding the treatment of federal and private loans in bankruptcy. Requires the counseling to include a notice that students and parents are not required to accept the full amount of the loan they are offered and to include information on any outstanding federal loan balance the borrower may have. Requires borrowers receive state-specific information on the average income and employment status of individuals based on various levels of educational attainment, as well as an introduction to the Financial Literacy and Education Commission's financial management resources.

Requires Pell Grant recipients to receive annual counseling that includes the following: the terms and conditions of their grant; the approved educational expenses the grant can be applied to; the maximum length of time a student is eligible to receive Pell Grants; the level of assistance a student is eligible to receive; why a student may need to repay a Pell Grant; and how a student may seek additional assistance due to a change in his or her financial circumstances.

Requires the Secretary to maintain a consumer-tested, online counseling tool that institutions can use to provide the required counseling to their students. Requires the Secretary keep a record of the individuals who have received counseling using the tool administered by the Department and notify applicable institutions when an individual has completed the counseling.

Adds a sense of Congress that hazing is dangerous, should not be allowed on any campus, and institutions should have clear policies prohibiting hazing, take seriously any threats or acts of harm, and ensure law enforcement has access to investigate any crimes. Requires all policies and procedures related to hazing on campus be available and clearly posted for students, faculty, and administrators.

Section 489. Early awareness of financial aid eligibility

Requires the Secretary, in consultation with states, institutions of higher education, secondary schools, and college access programs, to notify secondary school students no later than the student's sophomore year of the availability of federal financial aid, including estimates of the amounts of grant and loan aid an individual may be eligible to receive.

Encourages states, institutions of higher education, and other stakeholders to share best practices on disseminating information about financial assistance and requires the Secretary to create an online platform to share such best practices.

Directs the Secretary to maintain a consumer-tested early estimator tool—available online and through a mobile application—that will give students and parents an estimate of a student’s potential federal aid eligibility. Prohibits the Secretary from storing any data provided by individuals accessing the tool.

Instructs the Secretary to develop and annually update an electronic Pell Grant table containing information on the percentage of students at a college who received a Pell Grant. Requires the Pell Grant table to link to the early estimator tool. Prohibits the Secretary from requiring a state to participate in the activities or disseminate the materials described in this section.

Section 490. Distance Education Demonstration Programs

Repeals the Distance Education Demonstration Programs.

Section 491. Contents of program participation agreements

Makes several conforming changes.

Permits compensation to a third-party entity that provides a set of services to the institution that includes student recruitment services. Allows compensation to employees of an institution or parent company when students successfully complete their educational programs.

Streamlines requirements for the distribution of voter registration forms.

Repeals the requirement that proprietary institutions receive at least 10 percent of their revenue from sources other than federal student aid programs.

Section 492. Regulatory relief and improvement

Requires the Secretary to select institutions for voluntary participation in the Quality Assurance Program and to review and evaluate the program conducted by each participating institution at least once every two years.

Requires the Secretary to notify the authorizing committees prior to announcing a new experimental site and inviting institutions to participate with a description of the proposed experiment, the rationale for the experiment, a list of institutional requirements expected to be waived, and the legal authority for such waivers. Requires the Secretary to address all congressional comments in writing before proceeding with the proposed experimental site. Requires the Secretary to report annually on all ongoing experimental sites and prohibits the Secretary from conducting any experimental sites in any year in which an annual report for the previous year is not submitted to the authorizing committees.

Section 493. Transfer of Allotments

Makes conforming changes.

Section 494. Administrative Expenses

Makes conforming changes.

Section 494A. Repeal of Advisory Committee

Repeals the Advisory Committee on Student Financial Assistance.

Section 494B. Regional meetings and negotiated rulemaking

Outlines specific procedures the Secretary must follow when issuing federal regulations under Title IV and provides stakeholders and the authorizing committees adequate time to review regulations.

Section 494C. Report to Congress

Requires the Secretary to submit a report to the authorizing committees no later than 180 days after the enactment of the PROSPER Act detailing how the Department is detecting and combatting fraud in all income-driven repayment plans under Title IV.

Section 494D. Deferral of loan repayment following active duty

Makes conforming changes.

Section 494E. Contracts; matching program

Clarifies that originating, servicing, and collecting of federal student loans are not subject to state or local government requirements.

Requires the Secretary to work with servicing entities and provide a common performance manual.

Allows the Secretaries of Education and Veterans Affairs to carry out a computer matching program to identify those veterans eligible for death or permanent disability student loan discharges.

Makes technical changes.

Part H—Program Integrity

Section 495. Repeal of and Prohibition on State Authorization Regulations

Repeals the state authorization regulation and prohibits the Secretary from further regulating in this area.

Clarifies institutions must demonstrate authority to operate only in those states in which the institution maintains a physical location.

Clarifies religious institutions shall be treated as legally authorized to operate if the institution is recognized as a religious institution by the state and is exempt from state requirements to be authorized.

Section 496. Recognition of Accrediting Agency or Association

Allows any agency or association with a voluntary membership and having the principal purpose of accrediting institutions to apply for recognition by the Secretary. Requires all accrediting agencies wishing to be recognized by the Secretary to meet the same criteria, including being separate and independent from any related/associated/affiliated trade association or membership organization.

Strikes provisions that single out institutions offering distance education, and requires accreditors to demonstrate the ability to review, evaluate, and assess the quality of any instruction delivery

model or method the agency seeks to include within its scope of recognition. Requires accrediting agencies to ensure distance education institutions have processes in place to ensure the student who registers in a course or program is the same student who completes the program and receives the academic credit.

Requires any accreditation agency that accredits competency-based education have policies in place that will effectively address the quality of competency-based education programs. Requires accreditors have standards that assess the institution's success in relation to the institution's mission with respect to student learning and educational outcomes. Requires accreditors have a system in place where they annually identify institutions or programs accredited by the agency that may be experiencing difficulties accomplishing their missions with respect to their established student learning and educational outcome goals. Requires accrediting agencies have at least one representative from the business community on the agency's board. Requires accreditors to review only substantive changes that significantly impact the educational mission or programs offered at an institution and prohibits the Secretary from further regulation in this area. Requires accreditors to post all actions taken by the agency and a summary of why any adverse actions were taken. Requires accreditors to post on their websites for public inspection a list of all institutions accredited by the agency, the year the accreditation was granted, the date of the most recent comprehensive evaluation, and the anticipated date of the next evaluation.

Allows institutions not under sanction by their accreditor or a state agency to change accreditors without the approval of the Secretary, provided the institution notifies the Secretary of the change.

Clarifies the religious mission of an institution may be reflected in the institution's beliefs, speech, standards of conduct, and policies, including any policies regarding admission, retention, employment, housing, or student conduct. Clarifies an accreditor's standard fails to respect an institution's religious mission when the institution determines that the standard induces, pressures, or coerces the institution to act contrary to, or to refrain from acting in support of, any aspect of its religious mission. Provides institutions the option to file a complaint with the Secretary if the institution believes an adverse action of an accrediting agency fails to respect the institution's religious mission.

Provides accreditors with clear authority to undertake differentiated reviews that reflect the institution's history of meeting accreditation standards and record of performance on key metrics.

Allows waivers of accreditor requirements if the accreditor can demonstrate that such waiver is necessary to enable an institution of higher education or program accredited by the agency or association to implement innovative practices while still ensuring academic integrity and quality.

Section 497. Eligibility and certification procedures

Reforms the process by which the Secretary determines if an institution is financially responsible. Provides for alternative ways of determining an institution's financial responsibility beyond the federally calculated composite score by relying more extensively on existing industry and professional standards. Ensures composite

scores are calculated in accordance with generally accepted auditing standards. Provides official review, appeal, and transparency processes for institutions that continue to use the federal composite score. Establishes a timeline for institutions to correct financial weaknesses. Limits the Secretary's authority to require letters of credit from institutions.

Increases to 36 months the amount of time an institution can be provisionally certified when its accreditor loses federal recognition.

Requires the Secretary provide a detailed written justification for a program review, when practicable. Requires the Secretary to conduct, respond to, and conclude program reviews within specified timeframes.

TITLE V—DEVELOPING INSTITUTIONS

Section 501. Hispanic-serving institutions

Adds additional allowable uses of funds to include pay for success initiatives, dual enrollment, the development of career-specific programs, and community outreach programs.

Allows institutions that use grant funds to establish or increase an endowment to use the income from such endowment to provide scholarships to students.

Requires a student completion rate of at least 25 percent in order to be eligible for grant funding, calculated by counting a student as completed if that student (1) graduates within 150 percent of the normal time for completion or (2) transfers from a program that provided substantial preparation within 150 percent normal time for completion.

Requires institutions to return to the Treasury any grant funds not expended after 10 years.

Section 502. Promoting postbaccalaureate opportunities for Hispanic Americans

Incorporates section 501 allowable uses of funds and adds an additional allowable use for institutions to create innovative learning models and create or improve facilities for Internet or other innovative technologies.

Requires institutions to return to the Treasury any grant funds not expended after 10 years.

Clarifies no institution eligible for funds under this title can receive funds under Part A or Part B of Title III.

Section 503. General provisions

Makes technical and conforming changes and authorizes appropriations for all programs for each of Fiscal Years 2019 through 2024.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

Section 601. International and foreign language studies

Allows state and local education agencies along with postsecondary programs or departments in foreign language, area studies, or other international fields to participate in summer institutes.

Requires institutions provide adequate assurances to the Secretary they will comply with the requirement to explain how the activities funded by the grant will reflect a diverse perspective and

a wide range of views to generate debate on world regions and international affairs.

Repeals the Undergraduate International Studies and Foreign Language Program.

Repeals the American Overseas Research Centers program.

Section 602. Business and international education programs

Requires institutions to provide adequate assurances to the Secretary that it will comply with the requirement to explain how the activities funded by the grant will reflect a diverse perspective and a wide range of views to generate debate on world regions and international affairs. This requirement would be included in the evaluation, review, and approval process for initial funding and continuation awards.

Section 603. Repeal of Assistance Program for Institute for International Public Policy

Repeals Part C of Title VI, the Assistance Program for the Institute for International Public Policy.

Section 604. General provisions

Mandates the Secretary submit to Congress, and make publicly available, an annual report identifying the efforts grantees took to comply with the requirement to present a diverse perspective and a wide range of views when generating debate on world regions and international affairs. Requires the report include any technical assistance, regulatory guidance, or monitoring conducted by the Secretary.

Requires disclosures of foreign gifts including the name of the person, institution, or agency giving the gift and the inclusion of the fair market value of services provided by staff, textbooks, and other in-kind gifts in the aggregate dollar amount. Requires the Secretary to make disclosure reports electronically available for public viewing.

Requires the Secretary make continuation awards only after determining that the grantee is making satisfactory progress in carrying out the grant.

Requires grantees not promote any biased views that are discriminatory toward any group, religion, or population of people.

Authorizes the title for each of Fiscal Years 2019 through 2024 and repeals all unfunded programs.

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

Section 701. Graduate education programs

Repeals unfunded programs.

Authorizes appropriations for the Graduate Assistance in Areas of National Need program for each of Fiscal Years 2019 through 2024.

Authorizes appropriations for the HBCU Master's degree programs for each of Fiscal Years 2019 through 2024.

Makes a number of conforming changes.

Section 702. Repeal of Fund for the Improvement of Postsecondary Education

Repeals Part B of Title VII, the Fund for the Improvement of Postsecondary Education.

Section 703. Programs for students with disabilities

Repeals unfunded programs and authorizes appropriations for currently funded programs for each of Fiscal Years 2019 through 2024. Authorizes an independent commission to develop voluntary guidelines for accessible postsecondary electronic instructional materials and related technologies.

Section 704. Repeal of College Access Challenge Grant Program

Repeals Part E of Title VII, the College Access Challenge Grant Program.

TITLE VIII—OTHER REPEALS

Section 801. Repeal of additional programs

Repeals all Title VIII programs.

Repeals Section 802 of the *Higher Education Opportunity Act* (National Center for Research in Advanced Information and Digital Technologies) and Section 803 of the *Higher Education Opportunity Act* (pilot program for course material rental).

Repeals Section 821 of the *Higher Education Amendments of 1998* (Grants to States for Workplace and Community Transition Training for Incarcerated Youth Offenders) and Section 841 of the *Higher Education Amendments of 1998* (Underground Railroad educational and cultural program).

Repeals Section 1543 of the *Higher Education Amendments of 1992* (Olympic Scholarships).

TITLE IX—AMENDMENTS TO OTHER LAWS

Part A—Education of the Deaf Act of 1986

Section 901. Education of the Deaf Act of 1986

Makes the following changes to the Board of Directors for Gallaudet University: increases the total number of members from 21 to 23; equalizes the number of Senators and Members of the House of Representatives on the Board; increases the number of additional Board members from 18 to 19; and changes the appointment process for the Board members from the House and Senate to ensure bipartisan representation.

Allows Gallaudet University to meet the relevant requirements of the *Elementary and Secondary Education Act* for the Laurent Clerc National Deaf Education Center on its own or in cooperation with a state.

Repeals the Cultural Experiences Grants program. Repeals the separate authorization for federal monitoring and reporting. Repeals the separate authorization for federal endowment payments and permits Gallaudet University and the National Technical Institute for the Deaf (NTID) to reserve appropriated funds for the institutions' endowments. Repeals the National Study on the Education of the Deaf.

Authorizes appropriations for Gallaudet University and NTID for each of Fiscal Years 2019 through 2024.
Makes technical amendments.

Part B—Tribally Controlled Colleges and Universities Assistance Act of 1978

Section 911. The Tribally Controlled Colleges and Universities Assistance Act of 1978

Reauthorizes the Tribally Controlled Colleges and Universities programs and makes technical changes to update terminology.

Strikes the definition of “satisfactory progress toward a degree or certificate” to align with the removal of this requirement in the 2008 reauthorization.

Updates the process for conducting a student count to accurately reflect students in short-term programs and include students who are dually-enrolled in high school and college.

Repeals the endowment program for Tribal Colleges and Universities.

Changes the name of Title II to the Diné College Act.

Authorizes appropriations for the *Tribally Controlled Colleges and Universities Assistance Act of 1978* for each of Fiscal Years 2019 through 2024.

Part C—General Education Provisions Act

Section 921. Release of education records to facilitate the award of a recognized postsecondary credential

Amends section 444(b) of the *General Education Provisions Act* to allow for the release of education records of a student to an institution of postsecondary education in which the student was previously enrolled to facilitate the award of a recognized postsecondary credential upon the condition that the student provides written consent prior to receiving such credential.

EXPLANATION OF AMENDMENTS

The amendments, including the amendment in the nature of a substitute, are explained in the body of this report.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. H.R. 4508 reforms the postsecondary education system by promoting innovation, access, and completion; simplifying and improving student aid; empowering students and families to make informed decisions; and ensuring strong accountability and a limited federal role.

UNFUNDED MANDATE STATEMENT

Section 423 of the *Congressional Budget and Impoundment Control Act* (as amended by Section 101(a)(2) of the *Unfunded Mandates Reform Act*, P.L. 104–4) requires a statement of whether the provisions of the reported bill include unfunded mandates. This issue is addressed in the CBO letter.

EARMARK STATEMENT

H.R. 4508 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of House Rule XXI.

ROLL CALL VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 1 Bill: H.R. 4508 Amendment Number: 4

Disposition: Adopted by a vote of 20 yeas and 13 nays

Sponsor/Amendment: Mr. Guthrie - motion to table the appeal of the ruling of the chair on the Grijalva amendment

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)	X			Mr. SCOTT (VA) (Ranking)		X	
Mr. WILSON (SC)			X	Mrs. DAVIS (CA)		X	
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)		X	
Mr. ROE (TN)	X			Mr. COURTNEY (CT)		X	
Mr. THOMPSON (PA)	X			Ms. FUDGE (OH)		X	
Mr. WALBERG (MI)	X			Mr. POLIS (CO)		X	
Mr. GUTHRIE (KY)	X			Mr. SABLAN (MP)		X	
Mr. ROKITA (IN)	X			Ms. WILSON (FL)			X
Mr. BARLETTA (PA)	X			Ms. BONAMICI (OR)		X	
Mr. MESSER (IN)	X			Mr. TAKANO (CA)		X	
Mr. BYRNE (AL)	X			Ms. ADAMS (NC)		X	
Mr. BRAT (VA)	X			Mr. DeSAULNIER (CA)			X
Mr. GROTHMAN (WI)	X			Mr. NORCROSS (NJ)			X
Ms. STEFANIK (NY)	X			Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)	X			Mr. KRISHNAMOORTHY (IL)			X
Mr. LEWIS (MN)	X			Ms. SHEA-PORTER (NH)		X	
Mr. ROONEY (FL)			X	Mr. ESPAILLAT (NY)		X	
Mr. MITCHELL (MI)	X						
Mr. GARRETT (VA)			X				
Mr. SMUCKER (PA)	X						
Mr. FERGUSON (GA)	X						
Mr. ESTES (KS)	X						
Mrs. HANDEL (GA)	X						

TOTALS: Aye: 20 No: 13 Not Voting: 7

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-1

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 2 Bill: H.R. 4508 Amendment Number: 2

Disposition: Adopted by a vote of 22 yeas and 17 nays

Sponsor/Amendment: Mrs. Davis - Pell Grant

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)			X	Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 22 Not Voting: 1

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

(01-2

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 3 Bill: H.R. 4508 Amendment Number: 3

Disposition: Adopted by a vote of 22 yeas and 17 nays

Sponsor/Amendment: Mr. Estes - Apprenticeships

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)	X			Mr. SCOTT (VA) (Ranking)		X	
Mr. WILSON (SC)	X			Mrs. DAVIS (CA)		X	
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)		X	
Mr. ROE (TN)	X			Mr. COURTNEY (CT)		X	
Mr. THOMPSON (PA)	X			Ms. FUDGE (OH)		X	
Mr. WALBERG (MI)	X			Mr. POLIS (CO)		X	
Mr. GUTHRIE (KY)	X			Mr. SABLAN (MP)		X	
Mr. ROKITA (IN)	X			Ms. WILSON (FL)		X	
Mr. BARLETTA (PA)	X			Ms. BONAMICI (OR)		X	
Mr. MESSER (IN)	X			Mr. TAKANO (CA)		X	
Mr. BYRNE (AL)	X			Ms. ADAMS (NC)		X	
Mr. BRAT (VA)			X	Mr. DeSAULNIER (CA)		X	
Mr. GROTHMAN (WI)	X			Mr. NORCROSS (NJ)		X	
Ms. STEFANIK (NY)	X			Ms. BLUNT ROCHESTER (DE)		X	
Mr. ALLEN (GA)	X			Mr. KRISHNAMOORTHY (IL)		X	
Mr. LEWIS (MN)	X			Ms. SHEA-PORTER (NH)		X	
Mr. ROONEY (FL)	X			Mr. ESPAILLAT (NY)		X	
Mr. MITCHELL (MI)	X						
Mr. GARRETT (VA)	X						
Mr. SMUCKER (PA)	X						
Mr. FERGUSON (GA)	X						
Mr. ESTES (KS)	X						
Mrs. HANDEL (GA)	X						

TOTALS: Aye: 22 No: 17 Not Voting: 1

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-3

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 4 Bill: H.R. 4508 Amendment Number: 5

Disposition: Adopted by a vote of 23 yeas and 17 nays

Sponsor/Amendment: Mr. Thompson - Hazing

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)	X			Mr. SCOTT (VA) (Ranking)		X	
Mr. WILSON (SC)	X			Mrs. DAVIS (CA)		X	
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)		X	
Mr. ROE (TN)	X			Mr. COURTNEY (CT)		X	
Mr. THOMPSON (PA)	X			Ms. FUDGE (OH)		X	
Mr. WALBERG (MI)	X			Mr. POLIS (CO)		X	
Mr. GUTHRIE (KY)	X			Mr. SABLAN (MP)		X	
Mr. ROKITA (IN)	X			Ms. WILSON (FL)		X	
Mr. BARLETTA (PA)	X			Ms. BONAMICI (OR)		X	
Mr. MESSER (IN)	X			Mr. TAKANO (CA)		X	
Mr. BYRNE (AL)	X			Ms. ADAMS (NC)		X	
Mr. BRAT (VA)	X			Mr. DeSAULNIER (CA)		X	
Mr. GROTHMAN (WI)	X			Mr. NORCROSS (NJ)		X	
Ms. STEFANIK (NY)	X			Ms. BLUNT ROCHESTER (DE)		X	
Mr. ALLEN (GA)	X			Mr. KRISHNAMOORTHY (IL)		X	
Mr. LEWIS (MN)	X			Ms. SHEA-PORTER (NH)		X	
Mr. ROONEY (FL)	X			Mr. ESPAILLAT (NY)		X	
Mr. MITCHELL (MI)	X						
Mr. GARRETT (VA)	X						
Mr. SMUCKER (PA)	X						
Mr. FERGUSON (GA)	X						
Mr. ESTES (KS)	X						
Mrs. HANDEL (GA)	X						

TOTALS: Aye: 23 No: 17 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-4

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 5 Bill: H.R. 4508 Amendment Number: 6

Disposition: Adopted by a vote of 17 yeas and 23 nays

Sponsor/Amendment: Mr. Espallat - Dreamer students

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-5

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 6 Bill: H.R. 4508 Amendment Number: 12Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Mr. Takano / Mr. Krishnamoorthi - Definitions including academic year and eligible program

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 7 Bill: H.R. 4508 Amendment Number: 13

Disposition: Adopted by a vote of 22 yeas and 17 nays

Sponsor/Amendment: Mr. Grothman - Competency-based education

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)	X			Mr. SCOTT (VA) (Ranking)		X	
Mr. WILSON (SC)	X			Mrs. DAVIS (CA)		X	
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)		X	
Mr. ROE (TN)			X	Mr. COURTNEY (CT)		X	
Mr. THOMPSON (PA)	X			Ms. FUDGE (OH)		X	
Mr. WALBERG (MI)	X			Mr. POLIS (CO)		X	
Mr. GUTHRIE (KY)	X			Mr. SABLAN (MP)		X	
Mr. ROKITA (IN)	X			Ms. WILSON (FL)		X	
Mr. BARLETTA (PA)	X			Ms. BONAMICI (OR)		X	
Mr. MESSER (IN)	X			Mr. TAKANO (CA)		X	
Mr. BYRNE (AL)	X			Ms. ADAMS (NC)		X	
Mr. BRAT (VA)	X			Mr. DeSAULNIER (CA)		X	
Mr. GROTHMAN (WI)	X			Mr. NORCROSS (NJ)		X	
Ms. STEFANK (NY)	X			Ms. BLUNT ROCHESTER (DE)		X	
Mr. ALLEN (GA)	X			Mr. KRISHNAMOORTHY (IL)		X	
Mr. LEWIS (MN)	X			Ms. SHEA-PORTER (NH)		X	
Mr. ROONEY (FL)	X			Mr. ESPALLAT (NY)		X	
Mr. MITCHELL (MI)	X						
Mr. GARRETT (VA)	X						
Mr. SMUCKER (PA)	X						
Mr. FERGUSON (GA)	X						
Mr. ESTES (KS)	X						
Mrs. HANDEL (GA)	X						

TOTALS: Aye: 22 No: 17 Not Voting: 1

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-7

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 8 Bill: H.R. 4508 Amendment Number: 14

Disposition: Defeated by 19 yeas and 20 nays

Sponsor/Amendment: Mr. Courtney - Public service loan forgiveness

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)			X	Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)	X			Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)	X			Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 19 No: 20 Not Voting: 1

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-8

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 9 Bill: H.R. 4508 Amendment Number: 15

Disposition: Adopted by a vote of 21 yeas and 19 nays

Sponsor/Amendment: Mr. Grothman - Counseling to students receiving Title IV assistance

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)	X			Mr. SCOTT (VA) (Ranking)		X	
Mr. WILSON (SC)	X			Mrs. DAVIS (CA)		X	
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)		X	
Mr. ROE (TN)	X			Mr. COURTNEY (CT)		X	
Mr. THOMPSON (PA)	X			Ms. FUDGE (OH)		X	
Mr. WALBERG (MI)	X			Mr. POLIS (CO)		X	
Mr. GUTHRIE (KY)	X			Mr. SABLAN (MP)		X	
Mr. ROKITA (IN)	X			Ms. WILSON (FL)		X	
Mr. BARLETTA (PA)	X			Ms. BONAMICI (OR)		X	
Mr. MESSER (IN)	X			Mr. TAKANO (CA)		X	
Mr. BYRNE (AL)	X			Ms. ADAMS (NC)		X	
Mr. BRAT (VA)	X			Mr. DeSAULNIER (CA)		X	
Mr. GROTHMAN (WI)	X			Mr. NORCROSS (NJ)		X	
Ms. STEFANIK (NY)	X			Ms. BLUNT ROCHESTER (DE)		X	
Mr. ALLEN (GA)	X			Mr. KRISHNAMOORTHY (IL)		X	
Mr. LEWIS (MN)	X			Ms. SHEA-PORTER (NH)		X	
Mr. ROONEY (FL)	X			Mr. ESPAILLAT (NY)		X	
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)	X						
Mr. SMUCKER (PA)	X						
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)	X						
Mrs. HANDEL (GA)	X						

TOTALS: Aye: 21 No: 19 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-9

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 10 Bill: H.R. 4508 Amendment Number: 16Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Ms. Bonamici / Mr. Takano / Ms. Wilson - Direct loans

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 11 Bill: H.R. 4508 Amendment Number: 18

Disposition: Defeated by 17 yeas and 21 nays

Sponsor/Amendment: Mr. Polis - Student unit record data

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)			X				
Mr. GARRETT (VA)			X				
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 21 Not Voting: 2

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-11

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 12 Bill: H.R. 4508 Amendment Number: 20

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Ms. Blunt-Rochester / Mr. Sablan - FAFSA

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-12

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 13 Bill: H.R. 4508 Amendment Number: 21Disposition: Adopted by a vote of 23 yeas and 17 naysSponsor/Amendment: Mr. Garrett - Speech policy complaint process

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)	X			Mr. SCOTT (VA) (Ranking)		X	
Mr. WILSON (SC)	X			Mrs. DAVIS (CA)		X	
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)		X	
Mr. ROE (TN)	X			Mr. COURTNEY (CT)		X	
Mr. THOMPSON (PA)	X			Ms. FUDGE (OH)		X	
Mr. WALBERG (MI)	X			Mr. POLIS (CO)		X	
Mr. GUTHRIE (KY)	X			Mr. SABLAN (MP)		X	
Mr. ROKITA (IN)	X			Ms. WILSON (FL)		X	
Mr. BARLETTA (PA)	X			Ms. BONAMICI (OR)		X	
Mr. MESSER (IN)	X			Mr. TAKANO (CA)		X	
Mr. BYRNE (AL)	X			Ms. ADAMS (NC)		X	
Mr. BRAT (VA)	X			Mr. DeSAULNIER (CA)		X	
Mr. GROTHMAN (WI)	X			Mr. NORCROSS (NJ)		X	
Ms. STEFANIK (NY)	X			Ms. BLUNT ROCHESTER (DE)		X	
Mr. ALLEN (GA)	X			Mr. KRISHNAMOORTHY (IL)		X	
Mr. LEWIS (MN)	X			Ms. SHEA-PORTER (NH)		X	
Mr. ROONEY (FL)	X			Mr. ESPAILLAT (NY)		X	
Mr. MITCHELL (MI)	X						
Mr. GARRETT (VA)	X						
Mr. SMUCKER (PA)	X						
Mr. FERGUSON (GA)	X						
Mr. ESTES (KS)	X						
Mrs. HANDEL (GA)	X						

TOTALS: Aye: 23 No: 17 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 14 Bill: H.R. 4508 Amendment Number: 22

Disposition: Defeated by 18 yeas and 22 nays

Sponsor/Amendment: Mr. Courtney - Student loan refinancing

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRUJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)	X			Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 18 No: 22 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 15 Bill: H.R. 4508 Amendment Number: 24

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Ms. Wilson / Mr. Polis - Teacher quality partnership grants and TEACH grants

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 16 Bill: H.R. 4508 Amendment Number: 26Disposition: Defeated by 19 yeas and 21 naysSponsor/Amendment: Mr. Sablan - Tuition assistance

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)	X			Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLON (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 19 No: 21 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 17 Bill: H.R. 4508 Amendment Number: 27

Disposition: Adopted by a vote of 23 yeas and 17 nays

Sponsor/Amendment: Mr. Rokita - Education Department full-time equivalent employees

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)	X			Mr. SCOTT (VA) (Ranking)		X	
Mr. WILSON (SC)	X			Mrs. DAVIS (CA)		X	
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)		X	
Mr. ROE (TN)	X			Mr. COURTNEY (CT)		X	
Mr. THOMPSON (PA)	X			Ms. FUDGE (OH)		X	
Mr. WALBERG (MI)	X			Mr. POLIS (CO)		X	
Mr. GUTHRIE (KY)	X			Mr. SABLAN (MP)		X	
Mr. ROKITA (IN)	X			Ms. WILSON (FL)		X	
Mr. BARLETTA (PA)	X			Ms. BONAMICI (OR)		X	
Mr. MESSER (IN)	X			Mr. TAKANO (CA)		X	
Mr. BYRNE (AL)	X			Ms. ADAMS (NC)		X	
Mr. BRAT (VA)	X			Mr. DeSAULNIER (CA)		X	
Mr. GROTHMAN (WI)	X			Mr. NORCROSS (NJ)		X	
Ms. STEFANIK (NY)	X			Ms. BLUNT ROCHESTER (DE)		X	
Mr. ALLEN (GA)	X			Mr. KRISHNAMOORTHY (IL)		X	
Mr. LEWIS (MN)	X			Ms. SHEA-PORTER (NH)		X	
Mr. ROONEY (FL)	X			Mr. ESPAILLAT (NY)		X	
Mr. MITCHELL (MI)	X						
Mr. GARRETT (VA)	X						
Mr. SMUCKER (PA)	X						
Mr. FERGUSON (GA)	X						
Mr. ESTES (KS)	X						
Mrs. HANDEL (GA)	X						

TOTALS: Aye: 23 No: 17 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-17

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 18 Bill: H.R. 4508 Amendment Number: 28

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Ms. Bonamici - Campus-based aid programs

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-18

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 19 Bill: H.R. 4508 Amendment Number: 30

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Ms. Adams - Minority Serving Institutions

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-19

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 20 en bloc Bill: H.R. 4508 Amendment Number: 31

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Mr. Scott - Community college tuition

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTERoll Call: 20 en bloc Bill: H.R. 4508 Amendment Number: 36Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Mr. Espailat - Early college and dual enrollment

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-21

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 20 en bloc Bill: H.R. 4508 Amendment Number: 34

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Mr. Norcross - Community college completion

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 20 en bloc Bill: H.R. 4508 Amendment Number: 37

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Mr. Norcross - Remedial education

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 20 en bloc Bill: H.R. 4508 Amendment Number: 40

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Mr. Polis - Open textbooks

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 20 en bloc Bill: H.R. 4508 Amendment Number: 38

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Mr. Polis - Dual enrollment

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLON (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 21 Bill: H.R. 4508 Amendment Number: 32Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Ms. Davis - Earn and learn programs

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 22 Bill: H.R. 4508 Amendment Number: 33

Disposition: Defeated by a vote of 20 yeas and 20 nays

Sponsor/Amendment: Mr. Grothman - Pell Grant Bonus

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)	X			Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)	X			Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X			X		
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 20 No: 20 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

101-27

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 23 Bill: H.R. 4508 Amendment Number: 38Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Mr. DeSaulnier - Program serving students with disabilities

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 24 Bill: H.R. 4508 Amendment Number: 39

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Mr. Norcross - Campus-based child care

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 25 Bill: H.R. 4508 Amendment Number: 41

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Mr. Scott - Equal treatment of religious institutions by government institutions

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 26 Bill: H.R. 4508 Amendment Number: 42

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Ms. Davis - Sexual assault

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRUJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 27 Bill: H.R. 4508 Amendment Number: 43Disposition: Defeated by 18 yeas and 22 naysSponsor/Amendment: Ms. Davis - Foreign language and international education

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)	X			Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 18 No: 22 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 28 Bill: H.R. 4508 Amendment Number: 45Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Mr. Krishnamoorthi - Racial harassment and hostility

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 29 Bill: H.R. 4508 Amendment Number: 47Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Mr. Krishnamoorthi - Foster youth and homeless youth

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 30 Bill: H.R. 4508 Amendment Number: 49Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Mr. Krishnamoorthi - Voter registration notice

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 31 Bill: H.R. 4508 Amendment Number: 51Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Ms. Bonamici - military recruitment and retention

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 32 Bill: H.R. 4508 Amendment Number: 54

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Mr. Grijalva - veteran student centers

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting:

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 33 Bill: H.R. 4508 Amendment Number: 56

Disposition: Defeated by 17 yeas and 23 nays

Sponsor/Amendment: Ms. Bonamici - certification relating to veterans

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 34 Bill: H.R. 4508 Amendment Number: 57Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Ms. Bonamici - certification relating to student debt

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 35 Bill: H.R. 4508 Amendment Number: 62Disposition: Defeated by 17 yeas and 23 naysSponsor/Amendment: Mr. Polis - Online educational materials

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)		X		Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 17 No: 23 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**Roll Call: 36 Bill: H.R. 4508 Amendment Number: 63Disposition: Defeated by 18 yeas and 22 naysSponsor/Amendment: Mr. Polis - Native American students at certain institutions

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)		X		Mr. SCOTT (VA) (Ranking)	X		
Mr. WILSON (SC)		X		Mrs. DAVIS (CA)	X		
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)	X		
Mr. ROE (TN)		X		Mr. COURTNEY (CT)	X		
Mr. THOMPSON (PA)		X		Ms. FUDGE (OH)	X		
Mr. WALBERG (MI)		X		Mr. POLIS (CO)	X		
Mr. GUTHRIE (KY)		X		Mr. SABLAN (MP)	X		
Mr. ROKITA (IN)		X		Ms. WILSON (FL)	X		
Mr. BARLETTA (PA)		X		Ms. BONAMICI (OR)	X		
Mr. MESSER (IN)		X		Mr. TAKANO (CA)	X		
Mr. BYRNE (AL)		X		Ms. ADAMS (NC)	X		
Mr. BRAT (VA)		X		Mr. DeSAULNIER (CA)	X		
Mr. GROTHMAN (WI)		X		Mr. NORCROSS (NJ)	X		
Ms. STEFANIK (NY)		X		Ms. BLUNT ROCHESTER (DE)	X		
Mr. ALLEN (GA)		X		Mr. KRISHNAMOORTHY (IL)	X		
Mr. LEWIS (MN)		X		Ms. SHEA-PORTER (NH)	X		
Mr. ROONEY (FL)		X		Mr. ESPAILLAT (NY)	X		
Mr. MITCHELL (MI)		X					
Mr. GARRETT (VA)		X					
Mr. SMUCKER (PA)		X					
Mr. FERGUSON (GA)		X					
Mr. ESTES (KS)		X					
Mrs. HANDEL (GA)		X					

TOTALS: Aye: 18 No: 22 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

Date: December 12, 2017

COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 37 Bill: H.R. 4508 Amendment Number: _____

Disposition: Adopted by a vote of 23 yeas and 17 nays

Sponsor/Amendment: Mr. Wilson - Motion to report bill to the House with amendment and with the recommendation that the amendment be agreed to, and the bill as amended, do pass

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mrs. FOXX (NC) (Chairwoman)	X			Mr. SCOTT (VA) (Ranking)		X	
Mr. WILSON (SC)	X			Mrs. DAVIS (CA)		X	
Mr. HUNTER (CA)	X			Mr. GRIJALVA (AZ)		X	
Mr. ROE (TN)	X			Mr. COURTNEY (CT)		X	
Mr. THOMPSON (PA)	X			Ms. FUDGE (OH)		X	
Mr. WALBERG (MI)	X			Mr. POLIS (CO)		X	
Mr. GUTHRIE (KY)	X			Mr. SABLAN (MP)		X	
Mr. ROKITA (IN)	X			Ms. WILSON (FL)		X	
Mr. BARLETTA (PA)	X			Ms. BONAMICI (OR)		X	
Mr. MESSER (IN)	X			Mr. TAKANO (CA)		X	
Mr. BYRNE (AL)	X			Ms. ADAMS (NC)		X	
Mr. BRAT (VA)	X			Mr. DeSAULNIER (CA)		X	
Mr. GROTHMAN (WI)	X			Mr. NORCROSS (NJ)		X	
Ms. STEFANIK (NY)	X			Ms. BLUNT ROCHESTER (DE)		X	
Mr. ALLEN (GA)	X			Mr. KRISHNAMOORTHY (IL)		X	
Mr. LEWIS (MN)	X			Ms. SHEA-PORTER (NH)		X	
Mr. ROONEY (FL)	X			Mr. ESPAILLAT (NY)		X	
Mr. MITCHELL (MI)	X						
Mr. GARRETT (VA)	X						
Mr. SMUCKER (PA)	X						
Mr. FERGUSON (GA)	X						
Mr. ESTES (KS)	X						
Mrs. HANDEL (GA)	X						

TOTALS: Aye: 23 No: 17 Not Voting: _____

Total: 40 / Quorum: 14 / Report: 21

(23 R - 17 D)

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause (3)(c) of House Rule XIII, the goals of H.R. 4508 are to reform the postsecondary education system by promoting innovation, access, and completion; simplifying and improving student aid; empowering students and families to make informed decisions; and ensuring strong accountability and a limited federal role.

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 4508 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

The committee estimates enacting H.R. 4508 does not specifically direct the completion of any specific rule makings within the meaning of 5 U.S.C. 551.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the committee's oversight findings and recommendations are reflected in the body of this report.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the committee has received the following estimate for H.R. 4508 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 6, 2018.

Hon. VIRGINIA FOXX,
*Chairwoman, Committee on Education and the Workforce,
House of Representatives, Washington, DC.*

DEAR MADAM CHAIRWOMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Justin Humphrey or Leah Koestner.

Sincerely,

KEITH HALL,
Director.

Enclosure.

H.R. 4508—Promoting Real Opportunity, Success, and Prosperity through Education Reform Act

Summary: H.R. 4508 would reauthorize the Higher Education Act of 1965 (HEA) and amend institutional and student eligibility for several major student aid programs, including the William D. Ford Federal Direct Loan Program and the Federal Pell Grant Program. It also would reauthorize funding for most other federal higher education programs. Major provisions of the bill would:

- Amend repayment options for borrowers in the federal student loan program and eliminate loan forgiveness for certain borrowers who are employed in the public sector (direct spending savings of \$40.0 billion over the 2019–2027 period);
- Amend federal loan programs for undergraduate borrowers, in particular by eliminating the subsidized loan program and increasing loan limits in the unsubsidized loan program (direct spending savings of \$18.5 billion over the 2019–2027 period);
- Eliminate origination fees paid by student loan borrowers (direct spending costs of \$14.5 billion over the 2019–2027 period);
- Provide an additional \$300 to Pell grant recipients who enroll in at least 15 academic credits per semester (direct spending costs of \$7.3 billion over the 2018–2027 period); and
- Amend or repeal restrictions on institutional eligibility for federal student aid for certain types of schools, the largest of which would repeal the definition of distance education and eliminate the cap on the percentage of revenues that proprietary schools can receive from the Department of Education (direct spending costs of \$1.9 billion and \$2.0 billion, respectively).

Effects on the federal budget

Because enacting the bill would affect direct spending, pay-as-you-go procedures apply. Enacting H.R. 4508 would not affect revenues. CBO estimates that enacting H.R. 4508 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

Direct Spending. CBO estimates that enacting the bill would increase direct spending by an estimated \$0.6 billion in 2018, but would reduce direct spending by \$2.2 billion over the 2018–2022 period and \$14.6 billion over the 2018–2027 period. Almost all of the effect on direct spending would result from changes to student loans and Pell grants. CBO estimates that changes to student lending would reduce direct spending by \$26.3 billion over the 2018–2027 period and changes to the mandatory portion of the Pell grant program would increase direct spending by \$12.2 billion over the same period (the bulk of funding for Pell grants is discretionary and is not included in that total).

The estimates of changes to federal student loans are based on procedures outlined in the Federal Credit Reform Act of 1990 (FCRA). On a fair-value basis, which more fully accounts for the cost of the risk the government takes on in its student loan programs, CBO estimates that changes to student loans would instead

reduce direct spending by \$16.9 billion over the 2018–2027 period. More details about Federal Credit Reform Act and fair-value estimates are discussed under “Background” and “Fair-Value Estimating.”

Spending Subject to Appropriation. H.R. 4508 would reauthorize many discretionary programs for higher education through fiscal year 2024. Although almost all of the underlying authorizations have expired, many of the programs have continued to receive appropriations. Most of the authorizations would automatically be extended through 2025 under the General Education Provisions Act (GEPA). The bill also would amend several other laws, including the Education for the Deaf Act and the Tribally Controlled Colleges and Universities Assistance Act.

CBO estimates that H.R. 4508 would authorize the appropriation of \$112.0 billion over the 2018–2022 period and \$210.4 billion over the 2018–2027 period. Assuming appropriation of the estimated amounts, CBO projects that enacting the bill would increase discretionary spending by \$87.5 billion and \$210.1 billion, respectively, over the two periods. The bulk of that amount (\$169.6 billion over the 2018–2027 period) would result from reauthorizing and amending the discretionary portion of the Pell grant program.

Mandates

Section 4 of the Unfunded Mandates Reform Act (UMRA) excludes from the application of that act any legislative provisions that would enforce constitutional rights of individuals. CBO has determined that sections 111, 115, and 117 of H.R. 4508 fall within that exclusion because they would enforce the rights of free speech and religion. None of the remaining provisions of H.R. 4508 would impose intergovernmental or private-sector mandates as defined in UMRA.

Estimated Cost to the Federal Government: The estimated budgetary effects of H.R. 4508 are shown in Table 1. The costs of the legislation fall within budget function 500 (education, training, employment, and social services).

TABLE 1—BUDGETARY EFFECTS OF H.R. 4508, THE PROMOTING REAL OPPORTUNITY, SUCCESS, AND PROSPERITY THROUGH EDUCATION REFORM ACT

	By fiscal year, in billions of dollars—											2018–2027
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018–2022	
INCREASES OR DECREASES (–) IN DIRECT SPENDING												
Estimated Budget Authority	1.2	0.2	–1.2	–1.7	–2.0	–2.4	–2.9	–3.4	–3.6	–3.8	–3.4	–19.5
Estimated Outlays	0.6	0.7	–0.8	–1.2	–1.5	–1.8	–2.2	–2.6	–2.8	–3.0	–2.2	–14.6
INCREASES IN SPENDING SUBJECT TO APPROPRIATION												
Estimated Authorization Level	0.3	19.7	29.7	30.8	31.5	32.1	32.8	33.4	0.0	0.0	112.0	210.4
Estimated Outlays	0.1	5.4	21.4	29.6	31.0	31.7	32.3	32.9	24.5	1.28	87.5	210.1

Components may not sum to totals because of rounding.

Background: Most of the assistance the federal government provides to students comes from student loans and Pell grants.

Federal student loan programs

Under the William D. Ford Direct Loan Program, created in 1994, the federal government provides loans to undergraduate and graduate students and to the parents of undergraduate students. The government serves as the lender for all borrowers but contracts with private entities to service the loans.¹ CBO estimates that in fiscal year 2018, the federal government will make more than 17 million new loans to students and parents, totaling about \$100 billion.

Federal Credit Reform Act Estimate. As required under FCRA, most of the costs of the federal student loan programs are estimated on a net-present-value basis. A present value is a single number that expresses a flow of current and future payments in terms of an equivalent lump sum received or paid today. Under credit reform, the present value of all loan-related cash flows is calculated by discounting those expected cash flows to the year of disbursement, using the rates for comparable maturities on Treasury borrowing. (For example, the cash flow for a one-year loan is discounted using the Treasury rate for a one-year, zero-coupon note.) The costs for the federal administration of student loans are estimated on a cash basis. Unless otherwise noted, all estimated costs related to the federal student loan programs are shown using FCRA-estimating procedures.

Fair-Value Estimate. Section 5106 of the Conference Report of the Concurrent Resolution on the Budget for Fiscal Year 2017 requires any CBO cost estimate of a student loan provision under FCRA procedures to also include a fair-value estimate of the provision's costs.

Fair value estimates are based on market values—market prices when those prices are available or approximations of market prices when directly comparable figures are unavailable—which more fully account for the cost of the risk the government takes on in its student loan programs. To account for that risk, CBO discounts the same projected cash flows as under FCRA but uses a market-based discount rate.² The differences between fair-value and FCRA estimating procedures for the student loan program are discussed under “Fair-Value Estimating.”

Federal Pell Grant Program

The Federal Pell Grant Program, created in 1972, provides need-based grants to undergraduate postsecondary students. It is the largest source of federal grant aid for postsecondary education. Unlike federal student loans, the grants are not repaid. Under current law, CBO projects that in academic year 2018–2019, 7.5 million students will receive grants that average \$3,900 for a total federal cost of \$29.3 billion.

Funding Sources. Although Pell grants are funded with both discretionary and mandatory appropriations, the main source of funds

¹ Before July 1, 2010, the federal government also provided loan guarantees to financial institutions to provide federal student loans through the Federal Family Education Loan Program. The Health Care and Education Reconciliation Act of 2010, which was signed into law on March 30, 2010, required all new loans originated after July 1, 2010, to be in the direct loan program.

² For more details on fair-value accounting, see Congressional Budget Office, *Fair-Value Estimates of the Cost of Selected Federal Credit Programs for 2015 to 2024* (May 2014) www.cbo.gov/publication/45383, and *Fair-Value Accounting for Federal Credit Programs* (March 2012) www.cbo.gov/publication/43027.

is an annual discretionary appropriation. Additional mandatory funds, which are provided automatically on the basis of a formula, support a “mandatory add-on,” which increases the award amount above the maximum set in the annual appropriation act.

Current Awards. For the 2018–2019 academic year, which begins on July 1, 2018, the maximum Pell grant will be \$5,920. Of that, \$4,860 will be supported with discretionary funds and \$1,060 will be supported with mandatory funds.³

Basis of Estimate for Direct Spending: For this estimate, CBO assumes that H.R. 4508 will be enacted by July 1, 2018. CBO estimates that enacting the bill, which (among other changes) would amend the William D. Ford Federal Direct Loan Program and the Federal Pell Grant Program and eliminate the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program, would increase direct spending by \$0.6 billion in 2018, but would reduce direct spending by \$2.2 billion over the 2018–2022 period and \$14.6 billion over the 2018–2027 period (see Table 2).

Over the 2018–2027 period, the bill would decrease direct spending in the student loan program by \$26.3 billion, increase direct spending in the Pell grant program by \$12.2 billion, and decrease direct spending in the TEACH Grant Program by \$0.4 billion, CBO estimates. Each provision (or set of provisions as listed in Table 3) is estimated separately relative to current law. The estimated budgetary effects of each provision are also shown in that table.

Because funding for Pell grants comes from mandatory and discretionary sources, the budgetary effects of changes made to Pell grants in H.R. 4508 are discussed in two sections. Changes to the mandatory add-on are discussed in this section and discretionary-funding effects are discussed under “Basis of Estimate for Spending Subject to Appropriation.” Details for each policy provision are described in this section including the total effect on Pell grant recipients.

Federal One Loan Policies

Most of the bill’s effects on direct spending would arise from the creation of the new Federal One Loan Program and other changes to the student loan programs or from changes in institutional or student eligibility for Pell grants and direct student loans.

³ Additional mandatory funding is provided in section 401(b)(7)(A)(iv) of the Higher Education Act of 1965. That budget authority is used to augment the funding provided in annual appropriations for the discretionary Pell grant program.

TABLE 2.—ESTIMATED EFFECTS OF H.R. 4508 ON DIRECT SPENDING, BY PROGRAM

	By fiscal year, in millions of dollars											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018– 2022	2018–2027
INCREASES OR DECREASES (–) IN DIRECT SPENDING												
Federal Student Loan Program:												
Estimated Budget Authority	385	–690	–2,220	–2,875	–3,300	–3,785	–4,390	–4,945	–5,170	–5,400	–8,700	–32,390
Estimated Outlays	250	–300	–1,565	–2,270	–2,700	–3,115	–3,605	–4,090	–4,355	–4,545	–6,585	–26,295
Federal Pell Grant Program:												
Estimated Budget Authority	822	999	1,144	1,278	1,391	1,454	1,513	1,558	1,590	1,646	5,634	13,394
Estimated Outlays	309	1,007	807	1,175	1,307	1,407	1,469	1,525	1,566	1,604	4,605	12,176
TEACH Grants:												
Estimated Budget Authority	–29	–62	–75	–71	–57	–36	–35	–35	–35	–35	–294	–470
Estimated Outlays	–8	–38	–65	–74	–67	–51	–36	–35	–35	–35	–252	–444
Total Changes:												
Estimated Budget Authority	1,178	247	–1,151	–1,668	–1,966	–2,367	–2,912	–3,422	–3,615	–3,789	–3,360	–19,466
Estimated Outlays	551	669	–823	–1,169	–1,460	–1,759	–2,172	–2,600	–2,824	–2,976	–2,232	–14,563
Memorandum: Estimated changes in direct spending with changes to the Federal Student Loan Program estimated under fair value.												
INCREASES OR DECREASES (–) IN DIRECT SPENDING												
Federal Student Loan Program Under Fair Value:												
Estimated Budget Authority	550	–460	–1,600	–2,000	–2,260	–2,590	–3,015	–3,390	–3,485	–3,495	–5,770	–21,745
Estimated Outlays	475	25	–975	–1,495	–1,825	–2,080	–2,405	–2,760	–2,910	–2,905	–3,795	–16,855
Total Changes ^a :												
Estimated Budget Authority	1,343	477	–531	–793	–926	–1,172	–1,537	–1,867	–1,930	–1,884	–430	–8,821
Estimated Outlays	776	994	–233	–394	–585	–724	–972	–1,270	–1,379	–1,336	558	–5,123

Estimates are relative to CEO's June 2017 baseline. Components may not sum to totals because of rounding. TEACH = Teacher Education Assistance for College and Higher Education Grant Program.
^aTotal changes equal the effects on the Federal Pell Grant Program, the TEACH Grants, and the fair value estimate of the Federal Student Loan Program.

TABLE 3.—ESTIMATED EFFECTS OF H.R. 4508 ON DIRECT SPENDING, BY PROVISION

	Outlays by fiscal year, in millions of dollars											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018–2022	2018–2027
INCREASES OR DECREASES (–) IN DIRECT SPENDING OUTLAYS												
One Loan Program:												
Undergraduate Student Borrowing	0	–395	–1,090	–1,580	–1,870	–2,140	–2,480	–2,830	–3,005	–3,115	–4,935	–18,505
Graduate Student Borrowing	0	115	260	320	340	370	410	465	500	525	1,035	3,305
Parent Borrowing	0	135	370	540	625	700	785	875	910	925	1,670	5,865
Repayment Options	0	–1,095	–2,610	–3,575	–4,145	–4,665	–5,260	–5,855	–6,235	–6,520	–11,425	–39,960
Origination Fees	0	400	940	1,295	1,510	1,700	1,920	2,130	2,260	2,350	4,145	14,505
Other Student Loan Changes:												
Borrower Defense to Repayment	215	415	380	305	290	300	310	320	335	350	1,605	3,220
Closed School Discharges	–40	–80	–90	–90	–95	–100	–100	–105	–110	–115	–395	–925
Rehabilitation Loans	50	50	50	50	50	50	50	50	50	50	250	500
Funds to Administer Loan Program	0	27	16	5	2	0	0	0	0	0	50	50
Foreign Schools	*	–3	–3	–3	–3	–5	–5	–5	–10	–10	–12	–47
Parent Loans and IDR	–10	–4	–4	–4	–4	–4	–4	–4	–4	–4	–26	–46
Data Match to Determine Disability Discharges	10	1	1	1	1	1	1	1	1	1	14	19
Institutional Eligibility for Federal Aid:												
Distance Education:												
Federal Student Loans	*	10	20	45	75	105	130	150	160	165	150	860
Pell Grants	1	10	29	54	88	122	150	176	191	196	182	1,017
Total	1	20	49	99	163	227	280	326	351	361	332	1,877
90/10 Rule:												
Federal Student Loans	10	45	80	100	110	105	120	130	130	135	345	965
Pell Grants	10	46	82	108	119	121	123	125	127	129	366	990
Total	20	91	162	208	229	226	243	255	257	264	711	1,955
Short-Term Programs:												
Federal Student Loans	3	5	10	10	10	10	15	15	15	15	38	108
Pell Grants	6	24	28	33	37	40	41	42	44	46	129	343
Total	9	29	38	43	47	50	56	57	59	61	167	451
Gainful Employment:												
Federal Student Loans	3	10	20	20	25	25	25	30	30	30	78	218
Pell Grants	3	13	22	29	32	32	33	34	34	35	99	267
Total	6	23	42	49	57	57	58	64	64	65	177	485
Loan Repayment Rate:												
Federal Student Loans	–5	–10	–10	–20	–20	–15	–15	–15	–20	–20	–65	–150

TABLE 3.—ESTIMATED EFFECTS OF H.R. 4508 ON DIRECT SPENDING, BY PROVISION—Continued

	Outlays by fiscal year, in millions of dollars												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018–2022	2018–2027	
529 Plans:													
Total	1	2	3	4	4	4	4	4	4	4	4	13	35
Federal Student Loans	1	1	1	1	1	1	1	1	1	1	1	5	10
Pell Grants	*	*	*	*	*	*	*	*	*	*	*	1	2
Total	1	1	1	1	1	1	1	1	1	1	1	6	12
Prevention of Fraud:													
Pell Grants	-1	-4	-5	-5	-5	-5	-5	-5	-5	-5	-5	-20	-45
Outlay Effects on Previous Appropriations for Pell Grants	87	145	-229	-3	0	0	0	0	0	0	0	0	0
Interactions:													
Federal Student Loans	27	24	45	259	345	391	424	479	549	589	700	3,132	
Pell Grants	7	35	93	169	239	275	301	327	356	388	544	2,191	
Total	34	59	138	428	584	666	725	806	905	977	1,244	5,323	
Other Program Changes:													
Eliminate the TEACH Grant Program	-8	-38	-65	-74	-67	-51	-36	-35	-35	-35	-252	-444	
Total Outlays:													
Federal Student Loans	250	-300	-1,565	-2,270	-2,700	-3,115	-3,605	-4,090	-4,355	-4,545	-6,585	-26,295	
Pell Grants	309	1,007	807	1,175	1,307	1,407	1,469	1,525	1,566	1,604	4,605	12,176	
TEACH Grants	-8	-38	-65	-74	-67	-51	-36	-35	-35	-35	-252	-444	
Total	551	669	-823	-1,169	-1,460	-1,759	-2,172	-2,600	-2,824	-2,976	-2,232	-14,563	

Estimates are relative to CEO's June 2017 baseline. * = between -\$500,000 and \$500,000. Components may not sum to totals because of rounding. Provisions with a negligible impact on direct spending are not included in this table. IDR = Income-Driven Repayment; TEACH = Teacher Education Assistance for College and Higher Education Grant Program.

Effective on July 1, 2019, H.R. 4508 would create the Federal One Loan Program, a new direct loan program to replace the current Federal Direct Student Loan Program and would change the way the federal government lends money to and accepts repayments from undergraduate, postgraduate, and parent borrowers. Students and parents with no outstanding direct loans as of that date would be required to borrow under the new program.

Undergraduate students with outstanding undergraduate loans as of that date could continue to borrow in the direct loan program for their undergraduate education through fiscal year 2024. Graduate students with outstanding graduate loans also could continue to borrow for their graduate education for the same period. The effect of the new program's changes on direct spending would increase over time as more students took out loans under the Federal One Loan Program and fewer students borrowed under the old program.

Undergraduate Student Borrowing. Currently, undergraduate students are eligible for two types of federal direct loans: subsidized loans, which are available only to borrowers who demonstrate financial need, and unsubsidized loans, which are available regardless of need.

The interest rates are the same, but interest accrues on different schedules for the two types of loans. Subsidized loans accrue no interest while a student is enrolled at least half-time, for six months after either leaving school or dropping below half-time status, and during certain other periods when repayments may be deferred. Unsubsidized loans accrue interest from the date of disbursement. The amount that students may borrow each year depends on their class level and whether they are dependent or independent students. (Dependent students are generally undergraduate students under the age of 24, not married, and have no dependents of their own.) H.R. 4508 would make several changes to those programs.

Eliminate Subsidized Loans. The bill would eliminate the subsidized loan program and increase the amount that students may borrow in the unsubsidized program by the amount previously allowed in the subsidized loan program. CBO projects that, under current law, borrowing by undergraduate students in direct student loans will be about \$64 billion in 2027—about \$31 billion in subsidized loans and about \$32 billion in unsubsidized loans. Under the bill, CBO expects that most borrowers in the subsidized loan program would continue to borrow in the unsubsidized loan program. In addition CBO projects that the federal government saves about \$0.11 for every \$1 in unsubsidized loan volume relative to \$1 in subsidized loan volume. Finally, CBO expects that not all students would borrow as much in the unsubsidized loan program as they would in the subsidized loan program because of the higher expected cost for the students. On that basis, and adjusting for differences in borrow characteristics between the two loan types, CBO projects that eliminating subsidized loans would save \$3.4 billion in 2027.

Increase Loan Limits. H.R. 4508 also would increase the amount that an undergraduate student could borrow by \$2,000 each academic year. Using data from the National Postsecondary Student Aid Study (NPSAS), CBO projects this provision would increase volume in the unsubsidized loan program by about \$6 billion in

2027, which CBO estimates saves the government \$0.01 for every \$1 in lending in that year. That increase in unsubsidized loan volume would be accompanied by a decrease of less than \$500 million in parent loan volume, which CBO estimates saves \$0.28 for every \$1 loaned. The bill also would allow financial aid officers to cap loan amounts for all or certain categories of students at an institution, which CBO projects would reduce lending by about \$1 billion in 2027. On net, those changes in loan volume would increase direct spending by less than \$0.1 billion in that same year.

Change or Eliminate Categories of Deferment and Forbearance. Finally, the bill would change or eliminate certain categories of deferment and forbearance that allow borrowers to temporarily cease paying on their student loans. (During deferment interest continues to accrue on the outstanding balance.) In some situations—for example, while enrolled at least half-time—student borrowers could continue to defer loan payments. If they were unemployed or experiencing economic hardship, however, they would not be able to defer payments, as they can under current law. Reducing the options for deferred repayment would increase direct spending by \$0.3 billion in 2027, mainly because of the loss of accrued interest during deferment.

In total, CBO projects that those provisions for undergraduate borrowing together would increase total lending to undergraduates from \$64 billion under current law to \$68 billion in 2027. On net, the changes would decrease direct spending by \$18.5 billion over the 2019–2027 period, CBO estimates.

Graduate Student Borrowing. H.R. 4508 would make certain changes in federal lending to graduate students who now are eligible for two types of federal loans: unsubsidized loans and GradPLUS loans. Under current law, most of those students may borrow as much as \$20,500 per year in the unsubsidized loan program, although students in certain medical fields can borrow more. In addition, graduate borrowers can borrow up to their costs of attendance (minus all other aid received) under the GradPLUS program, which has a higher interest rate and origination fee than the unsubsidized loan program.

H.R. 4508 would eliminate the GradPLUS program and raise the annual limit in the unsubsidized loan program for most students to \$28,500 per academic year (not to exceed their cost of attendance minus all other aid received), with an aggregate limit of \$150,000. The bill would maintain the higher limits for borrowers in certain medical fields. As with undergraduate loans, the bill would allow financial aid officers to cap lending for certain types of students and reduce the list of circumstances in which students can defer repayment.

Under current law, CBO projects that in 2027 graduate students will borrow about \$40 billion in the unsubsidized loan program and another \$17 billion in the GradPLUS program. Using data from NPSAS, CBO estimates that under H.R. 4508, about \$9 billion in lending currently in the GradPLUS program would move into unsubsidized loans, and the remaining \$8 billion would be eliminated.

In addition, CBO expects that under H.R. 4508, some borrowers who currently borrow the maximum for which they are eligible in the unsubsidized loan program, but who do not borrow in the GradPLUS program would increase their unsubsidized borrowing.

This would result in part because interest rates and fees are lower in the unsubsidized loan program than in the GradPLUS program and because, unlike the GradPLUS program, the unsubsidized loan program has no credit requirement. For this reason, CBO projects a resulting additional increase of about \$3 billion in volume in the unsubsidized loan program in 2027.

In total, CBO estimates that the provisions would increase volume in the unsubsidized loan program for graduate students by about \$11 billion in 2027 and increase direct spending by \$3.3 billion over the 2019–2027 period. That increase in direct spending stems from the elimination of the current GradPLUS program, which CBO projects will earn \$0.08 for every \$1 in lending in 2027. Some of that cost would be offset, in part, by the increase in volume in the unsubsidized loan program for graduate students—which CBO projects will earn \$0.06 for every \$1 in lending in that same year—and by a small decline in eligibility for participation in income-driven repayment (IDR) because borrowers would have lower outstanding balances.

Parent Borrowing. The bill also would amend the federal loan program for parents. Under current law, in the parent (PLUS) loan program, parents of dependent students may borrow up to the cost of attendance (minus all other aid) each academic year, with no aggregate limit. The Federal One Loan Program would cap parent borrowing at \$12,500 per academic year and set an aggregate limit of \$56,250.

CBO estimates that under current law, parents will borrow about \$18 billion in 2027 and that the federal government will receive about \$0.28 for each \$1 lent to those borrowers. Using data from NPSAS, CBO projects that H.R. 4508 would reduce the amount loaned by about \$3.5 billion in 2027, thus increasing direct spending by \$0.9 billion in that year and by \$5.9 billion over the 2019–2027 period.

Repayment Options. H.R. 4508 also would amend the ways in which federal education loans are repaid. Under current law, the following options are available to borrowers:

- The standard (or default) repayment plan allows borrowers to make fixed monthly payments for 10 years.
- Consolidation allows a borrower to combine all loans into a single debt with a fixed interest rate. Depending on the size of the outstanding balance, the borrower may extend repayment beyond 10 years.
- Income-driven repayment plans, such as the Income-Based Repayment plan, the PAYE (Pay as You Earn) Repayment Plan, and the REPAYE (Revised Pay as You Earn) Repayment Plan, allow borrowers to make monthly payments (which are calculated as a percentage of income), usually for 20 or 25 years, with total forgiveness of outstanding balances at the end of that term. Payments for most new borrowers are set at 10 percent of discretionary income, and there is no limit on the amount that may be forgiven. In addition, borrowers in an IDR plan who are employed full time in public service are eligible for the Public Service Loan Forgiveness (PSLF) program, which provides debt forgiveness after 10 years of monthly payments.
- Graduated repayment allows borrowers to make smaller payments early in the period and larger payments in later years.

- Extended repayment gives borrowers with balances over \$30,000 more than 10 years in which to repay their loans.

H.R. 4508 would consolidate repayment options into three plans: a standard 10-year repayment plan, which would still be the default; consolidation, which would still include the option to extend repayment beyond 10 years; and a single IDR plan.

That new IDR plan would set monthly payments at 15 percent of a borrower's discretionary income. Borrowers also would be required to make total interest and principal payments equal to the amount they would have paid under a standard 10-year plan before the outstanding balance could be forgiven. Only payments made under an IDR or a 10-year plan would count toward that total. H.R. 4508 would eliminate the PSLF program for loans in the One Loan Program.

CBO estimates that the changes to repayment options under H.R. 4508 would reduce direct spending by about \$40 billion over the 2019–2027 period. The majority of the savings, roughly \$25 billion, would result from the elimination of the PSLF program. An additional roughly \$15 billion in savings would come from reducing forgiveness and requiring higher payments under the new IDR plan (which reduces costs to the government) and from eliminating extended and graduated repayment terms (which increases costs to the government because some borrowers who choose those plans under current law would move to IDR plans and pay less interest).

Origination Fees. Under current law, borrowers in the subsidized and unsubsidized loan programs pay an origination fee of 1 percent of the loan amount. The fee for parent and GradPLUS loans is 4 percent.⁴ H.R. 4508 would eliminate origination fees for all Federal One loans, resulting in an increase in direct spending of \$14.5 billion over the 2019–2027 period, CBO estimates.

Other Student Loan Changes

In addition to creating the Federal One Loan Program, H.R. 4508 would make other changes to federal student lending.

Background. Under current law, borrowers may be eligible for forgiveness of their loans if the educational institution they attended has violated certain laws or if the institution closes while the students are enrolled and they do not re-enroll elsewhere.

In November 2016, the Department of Education published final rules expanding eligibility for borrower defense to repayment and streamlining and automating the process of discharging loans for students enrolled in schools that close. In June 2017, before the new rules took effect, the department announced that it would delay implementation and begin a new negotiated rulemaking process to revise the rules. As a result, CBO's June 2017 baseline accounts for only 50 percent of the impact of the final rules for borrower defense to repayment and closed-school discharges, as published in November 2016. Thus, CBO's estimates of proposals that repeal or enact changes to the final rules are based on only 50 percent of the proposals' full estimated costs.

⁴The Budget Control Act of 2011 requires automatic reductions in the cost of certain mandatory programs. For student loans, the savings are achieved by increasing origination fees above the percentages specified in the Higher Education Act. The origination fees described in the text do not include this additional amount.

Borrower Defense to Repayment. H.R. 4508 would repeal the final rule for borrower defense to repayment and amend the current provisions. Those changes, on net, would increase the number of loans eligible for borrower defense to repayment, relative to projections in CBO's June 2017 baseline. The provision with the largest budgetary effect would substantially incorporate part of the final rule by allowing for borrower defense to repayment in situations in which institutions made a substantial misrepresentation, breached a contract with students, or broke a federal or state law.

On the basis of its analysis of loan volume at schools that are under investigation for issues that could fall under borrower defense to repayment, CBO estimates that those provisions would increase direct spending by \$3.2 billion, relative to the June 2017 baseline, over the 2018–2027 period.

Closed School Discharges. H.R. 4508 would change the provisions that allow loans to be discharged when schools close by amending the HEA to include most of the regulations related to those provisions as they were in effect before November 2016. Among those provisions is one that would require borrowers to apply for a loan discharge rather than receive it automatically three years after a school has closed.

Using data that the Department of Education published in the final rule, CBO estimates that approximately 40 percent of borrowers from closed schools would not apply for a discharge or re-enroll elsewhere within three years. CBO projects that such changes would reduce direct spending, by \$0.9 billion over the 2018–2027 period.

Other Changes. H.R. 4508 also would make several changes to the student loan programs that would have relatively smaller effects. Those provisions and CBO's estimated costs are shown below:

- **Rehabilitation Loans.** Allow borrowers who default to rehabilitate their loans for a second time (increased spending of \$500 million over the 2018–2027 period);
- **Funds to Administer Loan Program.** Appropriate \$50 million for fiscal year 2019 to help the Department of Education administer student loan programs (increased spending of \$50 million over the 2019–2027 period);
- **Foreign Schools.** Amend the eligibility of foreign schools to participate in the federal student loan programs, including changing the requirements for passing the United States Medical Licensing Examination, allowing foreign institutions to partner with non-eligible institutions to offer certain coursework, and changing the requirements for audited financial statements that foreign schools must provide (decreased spending of \$47 million over the 2018–2027 period);
- **Parent Loans and IDR.** Prohibit parent borrowers from participating in income-driven repayment plans (decreased spending of \$46 million over the 2018–2027 period); and
- **Data Match to Determine Disability Discharges.** Require the Department of Veterans Affairs to match its data on borrowers with disabilities with data from the Department of Education to determine which borrowers may be eligible for a disability discharge of their loans (increased spending of \$19 million over the 2018–2027 period).

CBO estimates that, on net, those changes would increase direct spending by \$476 million over the 2018–2027 period.

Institutional eligibility for federal aid

H.R. 4508 would alter or repeal various regulations concerning institutional eligibility, including some that are specific to proprietary, or for-profit, institutions. CBO expects that it would take several years for institutions to adjust to the new rules, so the effects of the changes would increase over the next decade.

Distance Education. H.R. 4508 would repeal the current-law requirement that online programs provide students with regular, substantive interaction with faculty. CBO expects that if programs do not need to meet that criterion they could more easily expand and scale up, resulting in higher enrollment.

Based on an analysis of the patterns of growth in online education, CBO projects that by 2027, under this provision, the number of Pell grant recipients would increase by about 240,000 (or about 3 percent) and federal student lending to undergraduate and graduate students would increase by about \$4 billion.

CBO estimates that this provision would increase direct spending by \$1.9 billion over the 2018–2027 period—\$0.9 billion for student loans and \$1.0 billion for Pell grants.

90/10 Rule. The “90/10 rule” prohibits proprietary institutions from receiving more than 90 percent of their overall revenue from student aid programs authorized under title IV of the HEA, including federal student loans and Pell grants. Institutions that do not meet that requirement may be ineligible to receive aid.

CBO’s analysis of data from the Department of Education shows that more than half of all proprietary schools receive at least 70 percent of their revenue from title IV aid. CBO anticipates that repealing the 90/10 rule would allow those schools to expand enrollment and that the schools closest to the 90 percent threshold would be the most likely to do so. As a result, CBO estimates, by 2027, the number of Pell grant recipients would increase by 160,000 (or about 2 percent) and the total amount of student loans, mostly subsidized and unsubsidized loans to undergraduate students, would increase by \$1.3 billion.

CBO estimates that repealing the 90/10 rule would increase direct spending by \$2.0 billion over the 2018–2027 period—\$1.0 billion for student loans and \$1.0 billion for Pell grants.

Short-Term Programs. Current law requires programs to offer at least 600 clock hours of instruction for students to be eligible for Pell grants. To be eligible for student loans, a program must offer at least 300 hours and have a student completion and placement rate of at least 70 percent. However, short-term programs that are integrated into longer programs that are eligible for federal aid are eligible for aid under current law. H.R. 4508 would extend aid eligibility to students in short-term programs that offer at least 300 clock hours of instruction over a minimum of 10 weeks (there would no longer be any requirements about placement rates).

On the basis of enrollment data for short-term programs from the Integrated Postsecondary Education Data System and discussions with accreditors and institutional officials, CBO estimates that by 2027, expanding the eligibility of short-term programs would increase the number of Pell grant recipients by about

100,000 students (or 1 percent) and student lending by about \$160 million. Students enrolled in short-term programs eligible under this provision would generally receive about half of the average Pell grant award and a smaller percentage would take out student loans than those in longer programs.

CBO estimates that allowing short-term programs to participate in federal aid would increase direct spending by \$451 million over the 2018–2027 period—\$108 million for student loans and \$343 million for Pell grants.

Gainful Employment. In October 2014, the Department of Education published final rules related to gainful employment, setting benchmarks related to student income and federal loan debt that had to be met by programs at proprietary institutions and by non-degree-granting programs at public and nonprofit institutions if they were to remain eligible for federal student aid. In June 2017, before any schools lost eligibility, the department announced that it would delay implementation and begin a new negotiated rulemaking process to revise the final rules. As a result, CBO's June 2017 baseline accounts for only 50 percent of the impact of the final rules for gainful employment, as published in October 2014. Thus, CBO's estimates of proposals to repeal the final rule are based on 50 percent of the full estimated costs of that repeal.

H.R. 4508 would repeal the final rulemaking related to gainful employment and prohibit future rulemaking related to this issue. Based on CBO's analysis of data from the Department of Education on student income and student loan debt at institutions subject to the rule, CBO estimates that by 2027, that policy would increase the number of Pell grant recipients by about 45,000 (or 0.5 percent) and student loan volume in the subsidized and unsubsidized loan programs by about \$300 million.

CBO estimates that, relative to its June 2017 baseline projections, repealing the gainful employment rule would increase direct spending by \$485 million over the 2018–2027 period—\$218 million for student loans and \$267 million for Pell grants.

Loan Repayment Rate. Under current law, a school may become ineligible to participate in the federal student aid programs if the number of students who default on their student loans is above certain thresholds. H.R. 4508 would replace that metric, the cohort default rate, with a new metric—the loan repayment rate. The loan repayment rate would measure the number of student borrowers in each program at an institution that are making the payments required by their repayment plan (rather than in deferment, forbearance, or default), by the end of their second year in repayment. Individual programs that fell below 45 percent, the threshold set in the bill for multiple cohorts of students, could become ineligible to receive federal student aid.

Using data from the Department of Education, CBO expects that this provision would cause some additional programs to lose eligibility and that some students attending those schools would not continue their education at other institutions. CBO estimates that this provision would decrease direct spending by \$267 million over the 2018–2027 period—\$150 million for student loans and \$117 million for Pell grants.

Other Changes to Institutional Eligibility. In addition to the above provisions, H.R. 4508 would make the following changes.

Those provisions and CBO's estimated effects on spending are shown below:

- **Competency Based Education.** Explicitly make students enrolled in certain competency based education programs (programs focused on mastery of a skill instead of time in a classroom) eligible for aid (increased spending of \$194 million over the 2018–2027 period);⁵
- **Liberal Arts.** Allow proprietary schools to offer new programs in liberal arts (increased spending of \$192 million over the 2018–2027 period);
- **Ineligible Program Partnerships.** Permit institutions that are ineligible for title IV student aid to provide 100 percent of the educational content when those institutions partner with institutions that are eligible for federal student aid (increased spending of \$167 million over the 2018–2027 period);⁶ and
- **Accrediting Agencies.** Amend rules related to accrediting agencies, including expanding the types of organizations that are eligible to be accreditors, replacing the standards accreditors use to assess an institution's success, and extending the period from 18 months to 36 months that an institution may remain in provisional accreditation status in the case where the institution's accreditor loses federal recognition (increased spending of \$161 million over the 2018–2027 period).

On the basis of research, discussions with accreditors and institutional officials, and data from the Department of Education, CBO estimates that by 2027, those policies in total would increase the number of Pell grant recipients by about 90,000 (or about 1 percent) and increase student loan volume by \$0.9 billion, not accounting for any interactions among the provisions.

CBO estimates that those policies would increase direct spending by \$714 million over the 2018–2027 period—\$300 million for student loans and \$414 million for the Pell grants.

Grant amounts and student eligibility for federal aid

H.R. 4508 would change some grant amounts that students could receive and alter some of the rules that govern student eligibility for grants and loans.

Pell Grant Bonus. The bill would appropriate mandatory funds to provide up to \$300 per academic year (or \$150 per semester) to Pell grant recipients taking at least 15 credit hours, or the equivalent, per semester. Using data on applications for federal financial aid from the Department of Education and enrollment data from NPSAS, CBO estimates that about 40 percent of full-time Pell grant recipients are enrolled in 15 credits (about 2.6 million students in 2027) in any given semester and would be eligible for a \$150 bonus. CBO expects that students would receive a smaller bonus if they were enrolled more than full time (typically 12 credit hours per semester) but for fewer than 15 credits, so long as they met other requirements. CBO estimates that in 2027 an additional 1.6 million Pell grant recipients would receive some portion of the

⁵Under current law, competency-based programs must express a student's mastery of competencies in terms of clock hours of instruction or credit hours to participate in federal student aid.

⁶Any partnership in which the ineligible institution provides at least 25 percent of the educational content would need approval from the eligible institution's accreditor. Under current law, ineligible institutions are permitted to provide only 50 percent of educational content.

bonus and that an additional 375,000 students would increase their credit hours to receive at least a partial bonus. By 2027, CBO estimates, approximately 10 percent of students who increased their hours would graduate one semester earlier than they would under current law, which would reduce spending for those students.

On net, CBO estimates that providing the bonus would increase direct spending by \$7.3 billion for Pell grants over the 2018–2027 period.

Return of Title IV Aid. Under current law, aid recipients who finish 60 percent of a term, but then withdraw completely, are not required to repay any federal financial aid they have received for that term. If a student withdraws earlier, the student, the institution, or both must return a prorated portion of the aid. Students and schools are required to return student loan funds before returning Pell grant funds.

H.R. 4508 would amend the rules for determining what federal student aid must be returned to the government. The schools, rather than schools and students, would be required to return federal aid for a student who failed to complete 100 percent of an academic term. The bill also would increase the proportion of aid that must be returned in most cases, and would require unearned Pell grant funds to be returned before student loan funds.

Using enrollment data from NPSAS, CBO estimates that enacting those provisions would decrease direct spending by \$419 million over the 2018–2027 period. It would decrease the cost of the Pell grant mandatory add-on by \$522 million (as more schools returned unearned Pell grant funds to the federal government) and increase direct spending for student loans by \$103 million (as fewer schools returned unearned federal student loans to the government) over the same period, CBO expects.

Ability to Benefit. Under current law, to be eligible for federal student aid, a student must have a high school diploma or its equivalent (typically a General Education Development certificate) or have successfully completed a homeschool program. H.R. 4508 would confer eligibility to students who have not met those criteria but who have successfully completed at least 6 credits of postsecondary education.

Before 2011, students who did not meet the current criteria but who had successfully completed 6 postsecondary credits, passed an ability-to-benefit test, or completed a state-administered process were eligible for federal student aid. Using data from federal financial aid applications for those students, CBO estimates that by 2027, enacting this provision would increase the number of Pell grant recipients by about 30,000 students (or about 0.4 percent). Total student loans would increase by about \$220 million in that same year, CBO projects. CBO estimates that enacting the provision would increase direct spending by \$287 million over the 2018–2027 period—\$103 million for student loans and \$184 million for Pell grants.

Other Student Eligibility Changes. In addition to the above provisions, H.R. 4508 would make the following changes. Those provisions and CBO’s estimated effects on spending are shown below:

- **Selective Service.** Eliminate the requirement that all male students over 26 years old be registered for the Selective Serv-

ice (increased spending of \$113 million over the 2018–2027 period);

- **Cost of Attendance.** Allow institutions to set different costs of attendance for programs of study with different modes of instruction (increased spending of \$38 million over the 2018–2027 period);

- **Simplified Needs Test.** Raise the maximum level of adjusted gross income to qualify for a “simplified needs test” to \$100,000 (increased spending of \$35 million over the 2018–2027 period)⁷;

- **529 Plans.** Remove the value of 529 education plans as assets for all applicants (increased spending of \$12 million over the 2018–2027 period); and

- **Prevention of Fraud.** Prohibit a student who has received three Pell grants without earning any credits from receiving any future Pell grants (decreased spending of \$45 million over the 2018–2027 period).

On the basis of data from the Department of Education, research, and discussions with institutional officials, CBO estimates that those policies would increase direct spending by \$153 million over the 2018–2027 period—\$85 million for student loans and \$68 million for Pell grants.

Outlay Effects on Previous Appropriations for Pell Grants. The changes made in H.R. 4508 would increase the cost of the discretionary portion of the Pell grant program in award year 2018–2019. Those changes would cause funding to spend more quickly than it would under current law. Because the Congress has already appropriated discretionary funds for that award year, that shift in spending would occur without additional Congressional action. CBO estimates that these changes would increase direct spending in 2018 by \$87 million, but, on net, would not increase direct spending over the 2018–2027 period.

Interactions among provisions

Each provision above was estimated separately relative to current law. However, there are interactions among the numerous provisions related to student loans and Pell grants included in H.R. 4508. For example, CBO expects that eliminating both the 90/10 rule and the gainful-employment rule would result in a greater expansion in the proprietary sector than would eliminating each provision individually. That additional cost is included in the total increase in direct spending for programmatic interactions.

The combined interaction among all the provisions related to student loans would increase direct spending for federal loans by \$3.1 billion; among the provisions related to Pell grants, it would increase direct spending for Pell grants by \$2.2 billion, CBO estimates.

TEACH grants

H.R. 4508 would eliminate the TEACH Grant Program, which provides grants to students who plan on becoming teachers and meet certain criteria. About 30,000 students receive TEACH grants each academic year. On the basis of data from the Department of

⁷A “simplified needs test” means the student does not have to provide any asset information.

Education, CBO estimates that a majority of those students will fail to meet the requirements of the program and will thus have their grants converted to loans as the program requires. As a result, some savings from eliminating the disbursement of grants would be offset by reduced receipts from students repaying their grants to the federal government. CBO estimates that eliminating the TEACH Grant Program would decrease direct spending by \$444 million over the 2018–2027 period.

Fair-value estimating

CBO's cost estimates of student loan provisions use the methodology specified in FCRA, but the Budget Resolution also requires CBO to include estimates on a fair-value basis using market-based discount rates. The value of borrowers' future repayments of loan principal and interest are worth less to the government under fair value than under FCRA, which makes the cost of the loan program look higher under fair value.

Under fair-value estimating, enacting the federal student loan provisions in H.R. 4508 would increase direct spending by \$0.5 billion in fiscal year 2018 but reduce direct spending by \$3.8 billion over the 2018–2022 period and by \$16.9 billion over the 2018–2027 period (see Table 4).

When the provisions that affect direct spending for Pell and TEACH grants are included, under fair-value estimating, the bill would increase direct spending by \$0.8 billion in 2018 and \$0.6 billion over the 2018–2022 period but reduce direct spending by \$5.1 billion over the 2018–2027 period.

Federal One Loan Policies. The greatest differences between FCRA and fair-value estimates for the bill stem from the Federal One Loan Program. CBO projects that the changes to undergraduate student borrowing would save \$18.5 billion over the 2019–2027 period under FCRA but only \$10.6 billion using fair-value procedures. Most of that difference results from the difference in the costs of the unsubsidized loan program for undergraduate students under FCRA and fair value. CBO estimates that each \$1 of unsubsidized loan volume in 2027 saves the federal government \$0.01 under FCRA but costs \$0.16 under fair value. As a result, the \$5 billion increase in volume in the unsubsidized loan program in 2027 would save less than \$0.1 billion under FCRA but cost about \$0.8 billion under fair value (not including changes in parent loan volume).

TABLE 4—ESTIMATED EFFECTS OF LOAN PROVISIONS IN H.R. 4508 USING FAIR VALUE, BY PROVISION

	Outlays by fiscal year, in millions of dollars—												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018–2022	2018–2027	
INCREASES OR DECREASES (–) IN DIRECT SPENDING OUTLAYS													
One Loan Program:													
Undergraduate Student Borrowing	0	-160	-560	-860	-1,055	-1,225	-1,435	-1,660	-1,795	-1,855	-2,635	-10,605	
Graduate Student Borrowing	0	-110	-240	-340	-400	-450	-505	-560	-590	-610	-1,090	-3,805	
Parent Borrowing	0	40	140	205	245	275	310	345	365	370	630	2,295	
Repayment Options	0	-1,050	-2,525	-3,465	-4,020	-4,525	-5,110	-5,680	-6,050	-6,315	-11,060	-38,740	
Origination Fees	0	355	905	1,285	1,510	1,710	1,940	2,160	2,300	2,395	4,055	14,560	
Other Student Loan Changes:													
Borrower Defense to Repayment	175	345	325	255	245	255	260	270	280	295	1,345	2,705	
Closed School Discharges	-30	-70	-80	-80	-80	-85	-85	-90	-95	-100	-340	-795	
Rehabilitation Loans	50	50	50	50	50	50	50	50	50	50	250	500	
Funds to Administer Loan Program	0	27	16	5	2	0	0	0	0	0	50	50	
Foreign Schools	1	3	5	10	10	15	20	20	20	25	29	129	
Parent Loans and IDR	-8	-4	-4	-4	-4	-4	-3	-3	-3	-3	-24	-40	
Data Match to Determine Disability Discharges	10	1	1	1	1	1	1	1	1	1	14	19	
Institutional Eligibility for Federal Aid:													
Distance Education	5	55	135	240	375	505	630	735	800	845	810	4,325	
90/10 Rule	35	145	240	290	305	310	320	330	340	350	1,015	2,665	
Short-Term Programs	5	20	25	30	30	35	35	40	40	40	110	300	
Gainful Employment	10	40	65	75	75	75	80	80	80	85	265	665	
Loan Repayment Rate	-5	-10	-10	-35	-45	-35	-35	-40	-40	-40	-105	-295	
Competency Based Education	5	15	20	25	30	40	50	60	65	75	95	385	
Liberal Arts	*	10	15	30	30	35	35	35	35	40	85	265	
Ineligible Program Partnerships	*	3	5	5	10	20	25	35	50	80	23	233	
Accrediting Agencies	-15	20	20	15	15	15	15	15	20	20	55	140	
Student Eligibility for Federal Aid:													
Return of Title IV Aid	10	25	25	25	25	30	30	30	30	30	110	260	
Ability to Benefit	20	35	40	40	40	45	45	45	50	50	175	410	
Selective Service	5	15	15	15	15	15	15	20	20	20	65	155	
Cost of Attendance	-15	-30	-30	-30	-35	-35	-35	-35	-35	-35	-140	-315	
Simplified Needs Test	*	*	*	*	*	*	*	*	*	*	*	*	
529 Plans	1	1	1	1	1	1	1	1	1	1	5	10	
Interactions:													
Interactions	216	254	426	717	800	847	941	1,036	1,151	1,281	2,413	7,669	

Federal Student Loans, Total	475	25	-975	-1,495	-1,825	-2,080	-2,405	-2,760	-2,910	-2,905	-3,795	-16,855
PELL Grants, Total ^a	309	1,007	807	1,175	1,307	1,407	1,469	1,525	1,566	1,604	4,605	12,176
TEACH Grants, Total ^a	-8	-38	-65	-74	-67	-51	-36	-35	-35	-35	-252	-444
Total, Direct Spending	776	994	-233	-394	-585	-724	-972	-1,270	-1,379	-1,336	558	-5,123

Estimates are relative to CBO's June 2017 baseline. Components may not sum to totals because of rounding. Provisions with a negligible impact on direct spending are not included in this table. * = between -\$500,000 and \$500,000; IDR = Income-Driven Repayment; TEACH = Teacher Education Assistance for College and Higher Education Grant Program.

^aFor details on these budgetary effects see Table 3.

In 2027, CBO estimates that \$1 of loan volume in the GradPLUS program saves the federal government \$0.08 under FCRA but costs \$0.10 under fair value. As a result, the proposal to eliminate borrowing in the GradPLUS program and replace only some of that borrowing with lending in the unsubsidized loan program would increase direct spending by \$3.3 billion under FCRA but would save \$3.8 billion over the 2019–2027 period under fair value-estimating procedures, CBO estimates.

In addition, in 2027, CBO estimates, \$1 of loan volume in the parent loan program will save the federal government \$0.28 under FCRA but only \$0.14 under fair value. As a result, the provisions to cap borrowing for parents would increase direct spending by \$5.9 billion over the 2019–2027 period under FCRA and by \$2.3 billion under fair value, CBO estimates.

Institutional Eligibility for Federal Aid. CBO expects that all of the policies that affect institutional eligibility, other than the loan repayment rate, would increase the annual volume of federal student loans. Because the cost of additional lending in the student loan programs is higher under fair-value accounting than under FCRA, the policies that expand institutional eligibility increase direct spending more under fair value. For example, CBO estimates that the provision to repeal the definition of distance education would increase direct spending by \$0.9 billion under FCRA and by \$4.3 billion under fair-value estimating.

Basis of Estimate for Spending Subject to Appropriation: For this estimate, CBO assumes that the bill will be enacted by July 1, 2018, and that the necessary funds will be appropriated each year. As shown in Table 5, CBO estimates that implementing H.R. 4508 would authorize the appropriation of \$112.0 billion over 2018–2022 period. On the basis of historical spending patterns, CBO estimates that implementing H.R. 4508 would cost \$87.5 billion over the same period.

Title IV, Pell Grants

The Federal Pell Grant Program is by far the largest discretionary grant program authorized by the HEA. (The program also receives mandatory funding.) This section discusses only the discretionary part of the program.

Although the maximum student award under the discretionary program is set each year in the appropriation act, for this estimate, CBO assumes that the maximum award that is funded with discretionary spending would be \$4,860 in each year over the 2018–2027 period. CBO estimates that the authorization for the Pell program would total \$88.9 billion over the 2018–2022 period and that outlays would total \$69.9 billion.

TABLE 5—SPENDING SUBJECT TO APPROPRIATION, BY TITLE

	By fiscal year, in millions of dollars—					
	2018	2019	2020	2021	2022	2018–2022
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Title IV, Pell Grants ^a :						
Estimated Authorization Level	322	14,017	23,910	24,962	25,679	88,891
Estimated Outlays	87	4,016	16,551	24,095	25,145	69,895

TABLE 5—SPENDING SUBJECT TO APPROPRIATION, BY TITLE—Continued

	By fiscal year, in millions of dollars—					
	2018	2019	2020	2021	2022	2018–2022
Other Grant Programs:						
Title IV, Federal Student Aid and Support:						
Estimated Authorization Level	0	4,642	4,678	4,716	4,753	18,789
Estimated Outlays	0	1,115	4,032	4,512	4,729	14,388
Title II, Apprenticeship Grant Program:						
Authorization Level	0	183	183	183	183	733
Estimated Outlays	0	10	134	167	183	493
Title III, Minority-Serving Institutions and HBCUS:						
Authorization Level	0	396	396	396	396	1,585
Estimated Outlays	0	21	289	360	396	1,066
Title V, Hispanic-Serving Institutions:						
Authorization Level	0	117	117	117	117	470
Estimated Outlays	0	6	86	107	117	316
Title VI, International Education and Foreign Languages:						
Authorization Level	0	62	62	62	62	246
Estimated Outlays	0	3	45	56	62	166
Title VII, Graduate and Postsecondary Studies:						
Authorization Level	0	47	47	47	47	189
Estimated Outlays	0	2	35	43	47	127
Education for the Deaf Act:						
Authorization Level	0	191	191	191	191	765
Estimated Outlays	0	180	191	191	191	754
Tribally Controlled Colleges and Universities Assistance Act:						
Authorization Level	0	78	78	78	78	314
Estimated Outlays	0	59	77	78	78	292
Total Changes:						
Estimated Authorization Level	322	19,734	29,663	30,754	31,508	111,982
Estimated Outlays	87	5,412	21,439	29,610	30,950	87,498

Components may not sum to totals because of rounding.

^a For more detail, see Table 6.

Reauthorization. H.R. 4508 would authorize the appropriation of such sums as may be necessary for the Pell grant program for fiscal years 2019 through 2024. That authorization would be extended automatically through 2025 under GEPA. As shown in Table 6, CBO estimates that reauthorizing the program with no other changes would authorize the appropriation of \$83 billion over the 2018–2022 period and that implementing the bill would cost \$65 billion over the same period. (The estimated cost of this reauthorization represents the cost of the discretionary program, assuming a maximum award of \$4,860, less previously appropriated funds and mandatory funds that support the discretionary portion of the Pell grant program provided in section 401(b)(7)(A)(iv) of the Higher Education Act of 1965.)

Policy Changes. H.R. 4508 would make several changes to student and institutional eligibility for the Pell grant program. Detailed descriptions of the major provisions and CBO’s methodology for estimating the costs are discussed in the “Basis of Estimate for Direct Spending” section.

CBO estimates that the total cost of implementing those policies would be \$4.6 billion over the 2018–2022 period, as shown in Table 6.

Other grant programs

H.R. 4508 would amend and authorize several other discretionary grant programs under several titles of the HEA and amend provisions in other education laws. Unless otherwise noted, the bill would authorize the appropriation of the same funding level for each fiscal year from 2019 through 2024, and that authorization would automatically be extended through 2025 under the General Education Provisions Act.

Title IV, Federal Student Aid and Student Support. In addition to the changes in the Pell grant program, the bill would amend and authorize the appropriation of \$18.8 billion over the 2019–2022 period for the following federal student aid and student support programs:

Campus-Based Aid Programs—H.R. 4508 would authorize the appropriation of \$1.7 billion for Federal Work-Study, which funds part-time jobs for students, and repeal the Federal Supplemental Education Opportunity Grant Program (FSEOG). The Congress appropriated \$1.0 billion for work-study and about \$0.7 billion for FSEOG in 2017.

TRIO Programs—The bill would authorize the appropriation of \$900 million for the TRIO programs (including, for example, Upward Bound), which provide counseling and other outreach services to students from disadvantaged backgrounds. The Congress appropriated \$950 million for TRIO in 2017.

TABLE 6—ESTIMATED EFFECTS OF H.R. 4508 ON DISCRETIONARY PELL GRANTS

	By fiscal year, in millions of dollars—					
	2018	2019	2020	2021	2022	2018–2022
INCREASES OR DECREASES (–) IN SPENDING SUBJECT TO APPROPRIATION						
Reauthorization ^a :						
Reauthorization:						
Estimated Authorization Level	0	13,217	22,625	23,325	23,698	82,865
Estimated Outlays	0	3,569	15,625	22,720	23,419	65,333
Policy Changes:						
Institutional Eligibility for Federal Aid:						
Distance Education:						
Estimated Authorization Level	17	90	168	292	426	994
Estimated Outlays	5	37	110	201	327	680
90/10 Rule:						
Estimated Authorization Level	141	286	397	448	455	1,726
Estimated Outlays	38	178	314	410	449	1,390
Short-Term Programs:						
Estimated Authorization Level	90	105	119	138	151	603
Estimated Outlays	24	93	108	124	141	491
Gainful Employment:						
Estimated Authorization Level	52	93	127	146	148	565
Estimated Outlays	14	62	101	131	146	455
Loan Repayment Rate:						
Estimated Authorization Level	0	0	0	–139	–55	–194
Estimated Outlays	0	0	0	–37	–115	–152
Competency Based Education:						
Estimated Authorization Level	20	33	39	47	57	196
Estimated Outlays	5	23	35	41	50	154
Liberal Arts:						
Estimated Authorization Level	2	17	35	46	47	148
Estimated Outlays	1	6	22	38	46	113
Ineligible Program Partnerships:						
Estimated Authorization Level	2	5	8	14	20	49
Estimated Outlays	*	2	5	10	16	33

TABLE 6—ESTIMATED EFFECTS OF H.R. 4508 ON DISCRETIONARY PELL GRANTS—Continued

	By fiscal year, in millions of dollars—					
	2018	2019	2020	2021	2022	2018–2022
Accrediting Agencies:						
Estimated Authorization Level	138	101	68	48	31	387
Estimated Outlays	37	127	93	63	44	363
Student Eligibility for Federal Aid:						
Return of Title IV:						
Estimated Authorization Level	–228	–203	–192	–195	–199	–1,016
Estimated Outlays	–62	–219	–200	–193	–196	–869
Ability to Benefit:						
Estimated Authorization Level	37	56	76	78	79	327
Estimated Outlays	10	42	62	77	78	268
Selective Service:						
Estimated Authorization Level	8	32	33	33	34	139
Estimated Outlays	2	14	32	33	33	114
Cost of Attendance:						
Estimated Authorization Level	*	*	*	*	*	*
Estimated Outlays	*	*	*	*	*	*
Simplified Needs Test:						
Estimated Authorization Level	9	12	13	16	16	66
Estimated Outlays	2	9	12	14	16	54
529 Plans:						
Estimated Authorization Level	1	1	1	1	1	6
Estimated Outlays	*	1	1	1	1	5
Prevention of Fraud:						
Estimated Authorization Level	–17	–17	–17	–18	–18	–86
Estimated Outlays	–5	–17	–17	–17	–18	–73
Interactions:						
Interactions:						
Estimated Authorization Level	50	188	409	682	788	2,117
Estimated Outlays	14	87	247	480	708	1,536
Subtotal Costs of Policy Changes:						
Estimated Authorization Level	322	800	1,285	1,637	1,982	6,026
Estimated Outlays	87	448	926	1,375	1,727	4,563
Total Costs of Reauthorization and Policy Changes:						
Estimated Authorization Level	322	14,017	23,910	24,962	25,679	88,891
Estimated Outlays	87	4,016	16,551	24,095	25,145	69,895

* = Between zero and \$500,000. Components may not sum to totals because of rounding. Provisions with a negligible effect on spending subject to appropriation are not included in this table.

^aRepresents the cost of the discretionary program, assuming a maximum award of \$4,860, less previously appropriated funds and mandatory funds that support the discretionary portion of the Pell grant program provided in section 401(b)(7)(A)(iv) of the Higher Education Act of 1965.

Student Aid Administration—The bill also would authorize the appropriation of such sums as may be necessary for fiscal years 2019 through 2024 to help administer the federal student aid programs. Based on funding for student aid administration in 2017, and accounting for future inflation, CBO estimates that this provision would authorize the appropriation of \$1.6 billion in 2019. That authorization would increase annually through 2022 because of expected inflation and CBO estimates that implementing it would cost \$5.6 billion over the 2019–2022 period.

Other Title IV Programs—Title IV also would authorize the appropriation of \$400 million for grant programs to help low-income students in middle and high school prepare for college, provide campus-based child care for low-income college students, and assist migrant students. That funding level is unchanged from fiscal year 2017.

Title II, Apprenticeship Grant Program. The bill would authorize the appropriation of \$183 million for a new initiative to fund apprenticeship programs run jointly by postsecondary institutions and private industry. CBO estimates that implementing this title

would cost about \$500 million over the 2019–2022 period. The bill would repeal Teacher Quality Partnership grants. The underlying authorization for that program has expired, but it received \$43 million in fiscal year 2017.

Title III, Minority-Serving Institutions and Historically Black Colleges and Universities. H.R. 4508 would amend grant programs for those institutions and for science, technology, education, and mathematics (or STEM) programs. Title III would authorize the appropriation of \$396 million, the same amount that the Congress appropriated for such programs in 2017. CBO estimates that implementing this title would cost \$1.1 billion over the 2019–2022 period. The bill would not authorize funding for grants for the Strengthening Institutions Program. The underlying authorization for that program has expired, but it received \$87 million in 2017.

Title V, Hispanic-Serving Institutions. H.R. 4508 would amend two grant programs for Hispanic-Serving Institutions and authorize the appropriation of \$117 million, the same amount appropriated for those programs in 2017. CBO estimates that implementing this title would cost about \$320 million over the 2019–2022 period.

Title VI, International Education and Foreign Languages. The bill would amend grant programs for international education and foreign language studies and authorize the appropriation of \$62 million a year. CBO estimates that implementing this provision would cost about \$170 million over the 2019–2022 period. The Congress appropriated \$65 million for those programs in 2017.

Title VII, Graduate and Postsecondary Studies. The bill would amend grant programs for graduate students and for postsecondary students with intellectual disabilities and would authorize the appropriation of \$47 million a year, the same amount as in fiscal year 2017. CBO estimates that implementing those provisions would cost about \$130 million over the 2019–2022 period.

Education for the Deaf Act. H.R. 4508 would amend the Education for the Deaf Act and authorize the appropriation of \$121 million for Gallaudet University and \$70 million for the National Technical Institute for the Deaf, the same amounts as in 2017. CBO estimates that implementing those provisions would cost about \$750 million over the 2019–2022 period.

Tribally Controlled Colleges and Universities Assistance Act. The bill would amend this act and authorize the appropriation of \$78 million each year for 2019 through 2024 for grant programs at the Bureau of Indian Education at the Department of the Interior (DOI). (The automatic extension under GEPA does not apply to programs at DOI.) The Congress appropriated the same amount for those programs in 2017. CBO estimates that implementing those provisions would cost about \$290 million over the 2019–2022 period.

Pay-As-You-Go Considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 7.

TABLE 7—CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 4508, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON EDUCATION AND THE WORKFORCE ON DECEMBER 13, 2017

	By fiscal year, in millions of dollars											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-2022	2018-2027
	NET INCREASE OR DECREASE (-) IN THE DEFICIT											
Statutory Pay-As-You-Go Impact	551	669	-823	-1,169	-1,460	-1,759	-2,172	-2,600	-2,824	-2,976	-2,232	-14,563

Increase In Long-term Direct Spending and Deficits: CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

Uncertainty Surrounding the Estimates: CBO has endeavored to develop budgetary estimates that are in the middle of the distribution of potential outcomes. Such estimates are inexact for various reasons. For example, the ways in which institutions of higher education, federal agencies, and states would respond to the changes made by this legislation are all difficult to predict. In particular, predicting the overall effects of changes to institutional eligibility, such as the repeal of the 90/10 rule and the definition of distance education, is especially difficult.

CBO projections under current law itself also are uncertain. For example, the first cohort of student loan borrowers only became eligible for Public Sector Loan Forgiveness in 2017 and data about future participants is limited. Thus, CBO's estimates of future participation, and the resulting savings for eliminating that program, may be too high or too low.

In addition, changes to the underlying economy could have a dramatic effect on the estimated costs of this legislation. Fluctuations in interest rates would change CBO's projections of the cost of the student loan program and a sudden rise in unemployment could have a dramatic effect on postsecondary enrollment, which would increase the cost of all federal student aid.

Despite the uncertainty, CBO believes the direction of the budgetary effects of most proposals in the bill is clear. For example, the changes to the federal student loan program would, on net, almost surely reduce the costs of this program to the federal government. Changes to student and institutional eligibility would almost certainly increase overall enrollment in higher education, which CBO expects would increase costs in the Pell grant program.

Mandates: Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act any legislative provisions that would enforce constitutional rights of individuals. CBO has determined that sections 111, 115, and 117 fall within that exclusion because they would enforce the rights of free speech and religion. None of the remaining provisions of the bill would impose intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit public and private educational institutions by granting them more flexibility to design curricula and oversee students' educational and financial welfare. The bill would amend or impose a number of requirements on educational institutions and governments that receive federal funds; however, those requirements and any resulting costs would be conditions of assistance, which are not considered mandates as defined in UMRA.

Additional Information by Program:

Changes in program costs and participation in the Pell Grant Program

Table 8 summarizes CBO's estimated changes to the overall cost of the Pell grant program, given all the policies in H.R. 4508, as well as CBO's expected changes in the number of Pell grant recipients. (CBO assumes a discretionary award of \$4,860 for all future years and a mandatory add-on of \$1,060.)

TABLE 8—PELL GRANT PROGRAM COSTS; CBO JUNE 2017 BASELINE VS. H.R. 4508

	By award year, in billions of dollars											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018–2022	2018–2027
INCREASES IN PELL GRANT PROGRAM COSTS AND RECIPIENTS												
Estimated Program Costs												
Under CBO June Baseline:												
Discretionary	23.2	23.6	24.1	24.5	24.8	25.2	25.6	26.1	26.5	27.1	120.2	250.8
Mandatory Add-On	6.1	6.2	6.4	6.5	6.6	6.7	6.8	6.9	7.0	7.2	31.7	66.3
Total Program Costs	29.3	29.8	30.4	31.0	31.4	31.9	32.4	33.0	33.6	34.2	152.0	317.1
Estimated Costs of H.R. 4508:												
Discretionary	0.3	0.8	1.3	1.6	2.0	2.2	2.4	2.6	2.8	3.0	6.0	19.1
Mandatory Add-On	0.8	1.0	1.1	1.3	1.4	1.5	1.5	1.6	1.6	1.6	5.6	13.4
Total Program Costs	1.1	1.8	2.4	2.9	3.4	3.6	3.9	4.2	4.4	4.7	11.7	32.5
Estimated Program Costs Under H.R. 4508:												
Discretionary	23.6	24.4	25.3	26.1	26.8	27.4	28.1	28.7	29.3	30.1	126.3	269.9
Mandatory Add-On	6.9	7.2	7.5	7.8	8.0	8.1	8.3	8.4	8.6	8.8	37.4	79.7
Total Program Costs	30.5	31.6	32.9	33.9	34.8	35.5	36.3	37.1	37.9	38.9	163.6	349.5
Memorandum: Changes in the Number of Pell Grant Recipients, by Award Year, in Thousands of Recipients												
Estimated Number of Pell Grant Recipients												
CBO June 2017 Baseline	7,500	7,700	7,800	7,900	8,100	8,200	8,300	8,500	8,600	8,800		
Increases from H.R. 4508	200	300	500	600	700	800	900	900	1,000	1,100		
Total under H.R. 4508	7,700	8,000	8,300	8,500	8,800	9,000	9,200	9,400	9,600	9,900		

CBO assumes the maximum discretionary award will be \$4,860 and that the mandatory add-on will be \$1,060 for all years. Components may not sum to totals because of rounding. Award year means July 1 of the first year to June 30 of the following year.

In total, H.R. 4508 would increase costs to the Pell program by \$12 billion over five years, and by \$32 billion over 10 years. About 60 percent of that cost can be attributed to the discretionary award. CBO expects the number of recipients to increase over the 10 year period, and by 2027, CBO estimates an additional 1.1 million new Pell recipients (or a 13 percent increase) because of changes to institutional and student eligibility in H.R. 4508.

Changes in costs and lending in the federal student loan program

Table 9 summarizes CBO's estimated changes to the overall cost of and volume in the federal student loan program for fiscal year 2027, given all the policies in H.R. 4508. CBO estimates that those changes would increase total lending by almost \$4 billion and decrease the cost of each dollar loaned by about \$0.03 in 2027.

TABLE 9—FEDERAL STUDENT LOAN PROGRAM: CBO JUNE 2017 BASELINE VS. H.R. 4508, FISCAL YEAR 2027

	Subsidized Loans (Undergraduates)	Unsubsidized Loans (Undergraduates)	Unsubsidized Loans (Graduates)	GradPLUS (Graduates)	PLUS Loans (Parents)	All Loans (All Borrowers)
CBO June Baseline Estimated Loan Volume and Costs, 2027						
Volume ^a	31,186	32,403	40,314	17,091	17,960	138,953
Subsidy Rate ^b	\$0.10	–\$0.01	–\$0.06	–\$0.08	–\$0.28	–\$0.04

TABLE 9—FEDERAL STUDENT LOAN PROGRAM: CBO JUNE 2017 BASELINE VS. H.R. 4508, FISCAL YEAR 2027—Continued

	Subsidized Loans (Un- dergradu- ates)	Unsubsidized Loans (Un- dergradu- ates)	Unsubsidized Loans (Grad- uates)	GradPLUS (Graduates)	PLUS Loans (Parents)	All Loans (All Bor- rowers)
Changes in H.R. 4508						
Volume ^a	-31,186	43,158	12,460	-17,091	-3,484	3,858
Subsidy Rate ^b	-\$0.10	\$0.00	-\$0.06	\$0.08	\$0.05	-\$0.03
Estimated Loan Volume and Costs Under H.R. 4508, 2027						
Volume ^a	0	75,561	52,774	0	14,476	142,811
Subsidy Rate ^b	\$0.00	-\$0.01	-\$0.13	-\$0.00	-\$0.23	-\$0.08

Components may not sum to totals because of rounding.

^a Volume in millions of dollars.

^b The subsidy rate is the cost or savings to the federal government for each dollar lent.

CBO expects that lending to undergraduate students would increase, on net, by \$12 billion, mostly because of increases in loan limits for unsubsidized loans and because of increased enrollment due to changes to institutional eligibility. Loans to undergraduates would be less expensive to the federal government, mostly because of the elimination of the subsidized loan program.

CBO projects that lending to graduate students would decrease, on net, by about \$5 billion, mostly because of the elimination of the GradPLUS program. Loans to graduate students would also be less expensive to the federal government, primarily because of the elimination of PSLF and changes to IDR.

Finally, CBO expects that lending to parents would drop by about \$3 billion in 2027 because of the new caps on borrowing for parents. Those loans would be more expensive to the federal government, mainly because of the elimination of the origination fee parents currently pay on loans.

Estimate Prepared By: Federal Costs: Justin Humphrey and Leah Koestner; Mandates: Zachary Byrum.

Estimate Approved By: H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 4508. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

HIGHER EDUCATION ACT OF 1965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Higher Education Act of 1965".

TITLE I—GENERAL PROVISIONS**PART A—DEFINITIONS****[SEC. 101. GENERAL DEFINITION OF INSTITUTION OF HIGHER EDUCATION.**

[(a) INSTITUTION OF HIGHER EDUCATION.—For purposes of this Act, other than title IV, the term "institution of higher education" means an educational institution in any State that—

[(1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, or persons who meet the requirements of section 484(d);

[(2) is legally authorized within such State to provide a program of education beyond secondary education;

[(3) provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree, or awards a degree that is acceptable for admission to a graduate or professional degree program, subject to review and approval by the Secretary;

[(4) is a public or other nonprofit institution; and

[(5) is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

[(b) ADDITIONAL INSTITUTIONS INCLUDED.—For purposes of this Act, other than title IV, the term "institution of higher education" also includes—

[(1) any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a); and

[(2) a public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1), admits as regular students individuals—

[(A) who are beyond the age of compulsory school attendance in the State in which the institution is located; or

[(B) who will be dually or concurrently enrolled in the institution and a secondary school.

[(c) LIST OF ACCREDITING AGENCIES.—For purposes of this section and section 102, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part H of title IV, to be reliable authority as to the quality of the education or training offered.

[SEC. 102. DEFINITION OF INSTITUTION OF HIGHER EDUCATION FOR PURPOSES OF TITLE IV PROGRAMS.

[(a) DEFINITION OF INSTITUTION OF HIGHER EDUCATION FOR PURPOSES OF TITLE IV PROGRAMS.—

[(1) INCLUSION OF ADDITIONAL INSTITUTIONS.—Subject to paragraphs (2) through (4) of this subsection, the term “institution of higher education” for purposes of title IV includes, in addition to the institutions covered by the definition in section 101—

[(A) a proprietary institution of higher education (as defined in subsection (b) of this section);

[(B) a postsecondary vocational institution (as defined in subsection (c) of this section); and

[(C) only for the purposes of part D of title IV, an institution outside the United States that is comparable to an institution of higher education as defined in section 101 and that has been approved by the Secretary for the purpose of part D of title IV, consistent with the requirements of section 452(d).

[(2) INSTITUTIONS OUTSIDE THE UNITED STATES.—

[(A) IN GENERAL.—For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 101 (except that a graduate medical school, nursing school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 101(a)(4)). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made under part D of title IV unless—

[(i) except as provided in subparagraph (B)(iii)(IV), in the case of a graduate medical school located outside the United States—

[(I)(aa) at least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 484(a)(5) in the year preceding the year for which a student is seeking a loan under part D of title IV; and

[(bb) at least 75 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others)

taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part D of title IV; or

【(II) the institution—

【(aa) has or had a clinical training program that was approved by a State as of January 1, 1992; and

【(bb) continues to operate a clinical training program in at least one State that is approved by that State;

【(ii) in the case of a veterinary school located outside the United States that does not meet the requirements of section 101(a)(4), the institution's students complete their clinical training at an approved veterinary school located in the United States; or

【(iii) in the case of a nursing school located outside of the United States—

【(I) the nursing school has an agreement with a hospital, or accredited school of nursing (as such terms are defined in section 801 of the Public Health Service Act (42 U.S.C. 296)), located in the United States that requires the students of the nursing school to complete the students' clinical training at such hospital or accredited school of nursing;

【(II) the nursing school has an agreement with an accredited school of nursing located in the United States providing that the students graduating from the nursing school located outside of the United States also receive a degree from the accredited school of nursing located in the United States;

【(III) the nursing school certifies only Federal Direct Stafford Loans under section 455(a)(2)(A), Federal Direct Unsubsidized Stafford Loans under section 455(a)(2)(D), or Federal Direct PLUS Loans under section 455(a)(2)(B) for students attending the institution;

【(IV) the nursing school reimburses the Secretary for the cost of any loan defaults for current and former students included in the calculation of the institution's cohort default rate during the previous fiscal year; and

【(V) not less than 75 percent of the individuals who were students or graduates of the nursing school, and who took the National Council Licensure Examination for Registered Nurses in the year preceding the year for which the institution is certifying a Federal Direct Stafford Loan under section 455(a)(2)(A), a Federal Direct Unsubsidized Stafford Loan under section 455(a)(2)(D), or a Federal Direct PLUS Loan under section

455(a)(2)(B), received a passing score on such examination.

[(B) ADVISORY PANEL.—

[(i) IN GENERAL.—For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—

[(I) evaluate the standards of accreditation applied to applicant foreign medical schools; and

[(II) determine the comparability of those standards to standards for accreditation applied to United States medical schools.

[(ii) SPECIAL RULE.—If the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 101.

[(iii) REPORT.—

[(I) IN GENERAL.—Not later than 1 year after the date of enactment of the Higher Education Opportunity Act, the advisory panel described in clause (i) shall submit a report to the Secretary and to the authorizing committees recommending eligibility criteria for participation in the loan programs under part D of title IV for graduate medical schools that—

[(aa) are located outside of the United States;

[(bb) do not meet the requirements of subparagraph (A)(i); and

[(cc) have a clinical training program approved by a State prior to January 1, 2008.

[(II) RECOMMENDATIONS.—In the report described in subclause (I), the advisory panel's eligibility criteria shall include recommendations regarding the appropriate levels of performance for graduate medical schools described in such subclause in the following areas:

[(aa) Entrance requirements.

[(bb) Retention and graduation rates.

[(cc) Successful placement of students in United States medical residency programs.

[(dd) Passage rate of students on the United States Medical Licensing Examination.

[(ee) The extent to which State medical boards have assessed the quality of such school's program of instruction, including through on-site reviews.

[(ff) The extent to which graduates of such schools would be unable to practice medicine in 1 or more States, based on the judgment of a State medical board.

[(gg) Any areas recommended by the Comptroller General of the United States under

section 1101 of the Higher Education Opportunity Act.

[(hh) Any additional areas the Secretary may require.

[(III) MINIMUM ELIGIBILITY REQUIREMENT.—In the recommendations described in subclause (II), the criteria described in subparagraph (A)(i)(I)(bb), as amended by section 102(b) of the Higher Education Opportunity Act, shall be a minimum eligibility requirement for a graduate medical school described in subclause (I) to participate in the loan programs under part D of title IV.

[(IV) AUTHORITY.—The Secretary may—

[(aa) not earlier than 180 days after the submission of the report described in subclause (I), issue proposed regulations establishing criteria for the eligibility of graduate medical schools described in such subclause to participate in the loan programs under part D of title IV based on the recommendations of such report; and

[(bb) not earlier than one year after the issuance of proposed regulations under item (aa), issue final regulations establishing such criteria for eligibility.

[(C) FAILURE TO RELEASE INFORMATION.—The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part D of title IV.

[(D) SPECIAL RULE.—If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under title IV, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part D of title IV while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

[(3) LIMITATIONS BASED ON COURSE OF STUDY OR ENROLLMENT.—An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

[(A) offers more than 50 percent of such institution's courses by correspondence (excluding courses offered by telecommunications as defined in section 484(l)(4)), unless the institution is an institution that meets the definition in section 3(3)(C) of the Carl D. Perkins Career and Technical Education Act of 2006;

[(B) enrolls 50 percent or more of the institution's students in correspondence courses (excluding courses offered by telecommunications as defined in section 484(l)(4)), unless the institution is an institution that meets the definition in such section, except that the Secretary, at the re-

quest of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2- or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

【(C) has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2- or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or

【(D) has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2- or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.

【(4) LIMITATIONS BASED ON MANAGEMENT.—An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

【(A) the institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11, United States Code, between July 1, 1998, and December 1, 1998; or

【(B) the institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of funds under title IV, or has been judicially determined to have committed fraud involving funds under title IV.

【(5) CERTIFICATION.—The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part H of title IV.

【(6) LOSS OF ELIGIBILITY.—An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is re-

moved from eligibility for funds under title IV as a result of an action pursuant to part H of title IV.

[(b) PROPRIETARY INSTITUTION OF HIGHER EDUCATION.—

[(1) PRINCIPAL CRITERIA.—For the purpose of this section, the term “proprietary institution of higher education” means a school that—

[(A)(i) provides an eligible program of training to prepare students for gainful employment in a recognized occupation; or

[(ii)(I) provides a program leading to a baccalaureate degree in liberal arts, and has provided such a program since January 1, 2009; and

[(II) is accredited by a recognized regional accrediting agency or association, and has continuously held such accreditation since October 1, 2007, or earlier;

[(B) meets the requirements of paragraphs (1) and (2) of section 101(a);

[(C) does not meet the requirement of paragraph (4) of section 101(a);

[(D) is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part H of title IV; and

[(E) has been in existence for at least 2 years.

[(2) ADDITIONAL INSTITUTIONS.—The term “proprietary institution of higher education” also includes a proprietary educational institution in any State that, in lieu of the requirement in section 101(a)(1), admits as regular students individuals—

[(A) who are beyond the age of compulsory school attendance in the State in which the institution is located; or

[(B) who will be dually or concurrently enrolled in the institution and a secondary school.

[(c) POSTSECONDARY VOCATIONAL INSTITUTION.—

[(1) PRINCIPAL CRITERIA.—For the purpose of this section, the term “postsecondary vocational institution” means a school that—

[(A) provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

[(B) meets the requirements of paragraphs (1), (2), (4), and (5) of section 101(a); and

[(C) has been in existence for at least 2 years.

[(2) ADDITIONAL INSTITUTIONS.—The term “postsecondary vocational institution” also includes an educational institution in any State that, in lieu of the requirement in section 101(a)(1), admits as regular students individuals—

[(A) who are beyond the age of compulsory school attendance in the State in which the institution is located; or **[(B)** who will be dually or concurrently enrolled in the institution and a secondary school.]

SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDUCATION.

(a) INSTITUTION OF HIGHER EDUCATION.—For purposes of this Act, the term “institution of higher education” means an educational institution in any State that—

(1) admits as regular students only persons who—

(A) have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, or who meet the requirements of section 484(d);

(B) are beyond the age of compulsory school attendance in the State in which the institution is located; or

(C) will be dually or concurrently enrolled in the institution and a secondary school;

(2) is legally authorized by the State in which it maintains a physical location to provide a program of education beyond secondary education;

(3)(A) is accredited by a nationally recognized accrediting agency or association; or

(B) if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time; and

(4) provides—

(A) an educational program for which the institution awards a bachelor's degree, graduate degree, or professional degree;

(B) not less than a 2-year educational program which is acceptable for full credit towards a bachelor's degree; or

(C) a non-degree program leading to a recognized educational credential that meets the definition of an eligible program under section 481(b).

(b) ADDITIONAL LIMITATIONS.—

(1) PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION.—

(A) LENGTH OF EXISTENCE.—A proprietary institution shall not be considered an institution of higher education unless such institution has been in existence for at least 2 years.

(B) INSTITUTIONAL INELIGIBILITY FOR MINORITY SERVING INSTITUTION PROGRAMS.—A proprietary institution shall not be considered an institution of higher education for the purposes of any program under title III or V.

(2) POSTSECONDARY VOCATIONAL INSTITUTIONS.—A nonprofit or public institution that offers only non-degree programs described in subsection (a)(4)(C) shall not be considered an institution of higher education unless such institution has been in existence for at least 2 years.

(3) LIMITATIONS BASED ON MANAGEMENT.—An institution shall not be considered an institution of higher education if—

(A) the institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy; or

(B) the institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of Federal funds, or has been

judicially determined to have committed a crime involving the acquisition, use, or expenditure involving Federal funds.

(4) *LIMITATION ON COURSE OF STUDY OR ENROLLMENT.—An institution shall not be considered an institution of higher education if such institution—*

(A) *offers more than 50 percent of such institution's courses by correspondence education, unless the institution is an institution that meets the definition in section 3(3)(C) of the Carl D. Perkins Career and Technical Education Act of 2006;*

(B) *enrolls 50 percent or more of the institution's students in correspondence education courses, unless the institution is an institution that meets the definition in section 3(3)(C) of such Act;*

(C) *has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for an institution that provides a 2- or 4-year program of instruction (or both) for which the institution awards an associate's degree or a postsecondary certificate, or a bachelor's degree, respectively; or*

(D) *has a student enrollment in which more than 50 percent of the students either do not have a secondary school diploma or its recognized equivalent, or do not meet the requirements of section 484(d), and does not provide a 2- or 4-year program of instruction (or both) for which the institution awards an associate's degree or a bachelor's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if an institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent or do not meet the requirements of section 484(d).*

(c) *LIST OF ACCREDITING AGENCIES.—For purposes of this section, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part H of title IV, to be reliable authority as to the quality of the education offered.*

(d) *CERTIFICATION.—The Secretary shall certify, for the purposes of participation in title IV, an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part H of title IV.*

(e) *LOSS OF ELIGIBILITY.—An institution of higher education shall not be considered to meet the definition of an institution of higher education for the purposes of participation in title IV if such institution is removed from eligibility for funds under title IV as a result of an action pursuant to part H of title IV.*

(f) *RULE OF CONSTRUCTION.—Nothing in subsection (a)(2) relating to State authorization shall be construed to—*

(1) *impede or preempt State laws, regulations, or requirements on how States authorize out-of-state institutions of higher education; or*

(2) *limit, impede, or preclude a State's ability to collaborate or participate in a reciprocity agreement to permit an institution within such State to meet any other State's authorization requirements for out-of-state institutions.*

SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.

(a) INSTITUTIONS OUTSIDE THE UNITED STATES.—

(1) **IN GENERAL.**—*Only for purposes of part D or E of title IV, the term “institution of higher education” includes an institution outside the United States (referred to in this part as a “foreign institution”) that is comparable to an institution of higher education as defined in section 101 and has been approved by the Secretary for purposes of part D or E of title IV, consistent with the requirements of section 452(d).*

(2) **QUALIFICATIONS.**—*Only for the purposes of students receiving aid under title IV, an institution of higher education may not qualify as a foreign institution under paragraph (1), unless such institution—*

(A) *is legally authorized to provide an educational program beyond secondary education by the education ministry (or comparable agency) of the country in which the institution is located;*

(B) *is not located in a State;*

(C) *except as provided with respect to clinical training offered by the institution under 600.55(h)(1), section 600.56(b), or section 600.57(a)(2) of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b))—*

(i) *does not offer any portion of an educational program in the United States to students who are citizens of the United States;*

(ii) *has no written arrangements with an institution or organization located in the United States under which students enrolling at the foreign institution would take courses from an institution located in the United States; and*

(iii) *does not allow students to enroll in any course offered by the foreign institution in the United States, including research, work, internship, externship, or special studies within the United States, except that independent research done by an individual student in the United States for not more than one academic year is permitted, if the research is conducted during the dissertation phase of a doctoral program under the guidance of faculty and the research is performed at a facility in the United States;*

(D) *awards degrees, certificates, or other recognized educational credentials in accordance with section 600.54(e) of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b)) that are officially recognized by the country in which the institution is located; and*

(E) *meets the applicable requirements of subsection (b).*

(3) **INSTITUTIONS WITH LOCATIONS IN AND OUTSIDE THE UNITED STATES.**—*In a case of an institution of higher education*

consisting of two or more locations offering all or part of an educational program that are directly or indirectly under common ownership and that enrolls students both within a State and outside the United States, and the number of students who would be eligible to receive funds under title IV attending locations of such institution outside the United States, is at least twice the number of students enrolled within a State—

(A) the locations outside the United States shall apply to participate as one or more foreign institutions and shall meet the requirements of paragraph (1) of this definition, and the other requirements of this part; and

(B) the locations within a State shall be treated as an institution of higher education under section 101.

(b) TREATMENT OF CERTAIN REGULATIONS.—

(1) FORCE AND EFFECT.—

(A) IN GENERAL.—The provisions of title 34, Code of Federal Regulations, referred to in subparagraph (B), as such provisions were in effect on the day before the date of the enactment of the PROSPER Act, shall have the force and effect of enacted law until changed by such law and are deemed to be incorporated in this subsection as though set forth fully in this subsection.

(B) APPLICABLE PROVISIONS.—The provisions of title 34, Code of Federal Regulations, referred to in this subparagraph are the following:

(i) Subject to paragraph (2)(A), section 600.41(e)(3).

(ii) Subject to paragraph (2)(B), section 600.52.

(iii) Subject to paragraph (2)(C), section 600.54.

(iv) Subject to subparagraphs (D) and (E) of paragraph (2), section 600.55, except that paragraph (4) of subsection (f) of such section shall have no force or effect.

(v) Section 600.56.

(vi) Subject to paragraph (2)(F), section 600.57.

(vii) Subject to subparagraphs (G) and (H) of paragraph (2), section 668.23(h), except that clause (iii) of paragraph (1) of such section shall have no force or effect.

(viii) Section 668.5.

(C) APPLICATION TO FEDERAL ONE LOANS.—With respect to the provisions of title 34, Code of Federal Regulations, referred to subparagraph (B), as modified by paragraph (2) any reference to a loan made under part D of title IV shall also be treated as a reference to a loan made under part E of title IV.

(2) MODIFICATIONS.—The following shall apply to the provisions of title 34, Code of Federal Regulations, referred to in paragraph (1)(B):

(A) Notwithstanding section 600.41(e)(3) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), if the basis for the loss of eligibility of a foreign graduate medical school to participate in programs under title IV is one or more annual pass rates on the United States Medical Licensing Examination below the threshold required in subparagraph (D) the sole issue is whether the

aggregate pass rate for the preceding calendar year fell below that threshold. For purposes of the preceding sentence, in the case of a foreign graduate medical school that opted to have the Educational Commission for Foreign Medical Graduates calculate and provide the pass rates directly to the Secretary for the preceding calendar year as permitted under section 600.55(d)(2) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), in lieu of the foreign graduate medical school providing pass rate data to the Secretary under section 600.55(d)(1)(iii) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), the Educational Commission for Foreign Medical Graduates' calculations of the school's rates are conclusive; and the presiding official has no authority to consider challenges to the computation of the rate or rates by the Educational Commission for Foreign Medical Graduates.

(B) Notwithstanding section 600.52 of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), in this Act, the term "foreign institution" means an institution described in subsection (a).

(C) Notwithstanding section 600.54(c) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), to be eligible to participate in programs under title IV, foreign institution may not enter into a written arrangement under which an institution or organizations that is not eligible to participate in programs under title IV provides more than 25 percent of the program of study for one or more of the eligible foreign institution's programs.

(D) Notwithstanding section 600.55(f)(1)(ii) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), for a foreign graduate medical school outside of Canada, for Step 1, Step 2–CS, and Step 2–CK, or the successor examinations, of the United States Medical Licensing Examination administered by the Educational Commission for Foreign Medical Graduate, at least 75 percent of the school's students and graduates who receive or have received title IV funds in order to attend that school, and who completed the final of these three steps of the examination in the year preceding the year for which any of the school's students seeks a loan under title IV shall have received an aggregate passing score on the exam as a whole; or except as provided in section 600.55(f)(2) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), for no more than two consecutive years, at least 70 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (who receive or have received title IV funds in order to attend that school) taking the United States Medical Licensing Examination exams in the year preceding the year for which any of the school's students seeks a loan under title IV shall have received an aggregate passing score on the exam as a whole.

(E) Notwithstanding 600.55(h)(2) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)),

not more than 25 percent of the graduate medical educational program offered to United States students, other than the clinical training portion of the program, may be located outside of the country in which the main campus of the foreign graduate medical school is located.

(F) Notwithstanding section 600.57(a)(5) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), a nursing school shall reimburse the Secretary for the cost of any loan defaults for current and former students during the previous fiscal year.

(G) Notwithstanding section 668.23(h)(1)(ii), of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), a foreign institution that received \$500,000 or more in funds under title IV during its most recently completed fiscal year shall submit, in English, for each most recently completed fiscal year in which it received such funds, audited financial statements prepared in accordance with generally accepted accounting principles of the institution's home country provided that such accounting principles are comparable to the International Financial Reporting Standards.

(H) Notwithstanding section 668.23(h)(1)(ii), of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)), only in a case in which the accounting principles of an institution's home country are not comparable to International Financial Reporting Standards shall the institution be required to submit corresponding audited financial statements that meet the requirements of section 668.23(d) of title 34, Code of Federal Regulations (as in effect pursuant to paragraph (1)).

(c) SPECIAL RULES.—

(1) IN GENERAL.—A foreign graduate medical school at which student test passage rates are below the minimum requirements set forth in subsection (b)(2)(D) for each of the two most recent calendar years for which data are available shall not be eligible to participate in programs under part D or E of title IV in the fiscal year subsequent to that consecutive two year period and such institution shall regain eligibility to participate in programs under such part only after demonstrating compliance with requirements under section 600.55 of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b)) for one full calendar year subsequent to the fiscal year the institution became ineligible unless, within 30 days of receiving notification from the Secretary of the loss of eligibility under this paragraph, the institution appeals the loss of its eligibility to the Secretary. The Secretary shall issue a decision on any such appeal within 45 days after its submission. Such decision may permit the institution to continue to participate in programs under part D or E of title IV, if—

(A) the institution demonstrates to the satisfaction of the Secretary that the test passage rates on which the Secretary has relied are not accurate, and that the recalculation of such rates would result in rates that exceed the required minimum for any of these two calendar years; or

(B) *there are, in the judgement of the Secretary, mitigating circumstances that would make the application of this paragraph inequitable.*

(2) *STUDENT ELIGIBILITY.—If, pursuant to this subsection, a foreign graduate medical school loses eligibility to participate in the programs under part D or E of title IV, then a student at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under such part while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.*

(3) *TREATMENT OF CLINICAL TRAINING PROGRAMS.—*

(A) *IN GENERAL.—Clinical training programs operated by a foreign graduate medical school with an accredited hospital or clinic in the United States or at an institution in Canada accredited by the Liaison Committee on Medical Education shall be deemed to be approved and shall not require the prior approval of the Secretary.*

(B) *ON-SITE EVALUATIONS.—Any part of a clinical training program operated by a foreign graduate medical school located in a foreign country other than the country in which the main campus is located, in the United States, or at an institution in Canada accredited by the Liaison Committee on Medical Education, shall not require an on-site evaluation or specific approval by the institution's medical accrediting agency if the location is a teaching hospital accredited by and located within a foreign country approved by the National Committee on Foreign Medical Education and Accreditation.*

(d) *FAILURE TO RELEASE INFORMATION.—An institution outside the United States that does not provide to the Secretary such information as may be required by this section shall be ineligible to participate in the loan program under part D or E of title IV.*

(e) *ONLINE EDUCATION.—Notwithstanding section 481(b)(2), an eligible program described in section 600.54 of title 34, Code of Federal Regulations (as in effect pursuant to subsection (b)) may not offer more than 50 percent of courses through telecommunications.*

SEC. 103. ADDITIONAL DEFINITIONS.

In this Act:

(1) *AUTHORIZING COMMITTEES.—The term “authorizing committees” means the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives.*

(2) *COMBINATION OF INSTITUTIONS OF HIGHER EDUCATION.—The term “combination of institutions of higher education” means a group of institutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective, or a public or private nonprofit agency, organization, or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on the group's behalf.*

(3) *CRITICAL FOREIGN LANGUAGE.—Except as otherwise provided, the term “critical foreign language” means each of the languages contained in the list of critical languages designated by the Secretary in the Federal Register on August 2, 1985 (50 Fed. Reg. 31412; promulgated under the authority of section*

212(d) of the Education for Economic Security Act (repealed by section 2303 of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988)), as updated by the Secretary from time to time and published in the Federal Register, except that in the implementation of this definition with respect to a specific title, the Secretary may set priorities according to the purposes of such title and the national security, economic competitiveness, and educational needs of the United States.

(4) DEPARTMENT.—The term “Department” means the Department of Education.

(5) DIPLOMA MILL.—The term “diploma mill” means an entity that—

(A)(i) offers, for a fee, degrees, diplomas, or certificates, that may be used to represent to the general public that the individual possessing such a degree, diploma, or certificate has completed a program of postsecondary education or training; and

(ii) requires such individual to complete little or no education or coursework to obtain such degree, diploma, or certificate; and

(B) lacks accreditation by an accrediting agency or association that is recognized as an accrediting agency or association of institutions of higher education (as such term is defined in [section 102] *section 101 or 102*) by—

(i) the Secretary pursuant to subpart 2 of part H of title IV; or

(ii) a Federal agency, State government, or other organization or association that recognizes accrediting agencies or associations.

(6) DISABILITY.—The term “disability” has the same meaning given that term under section 3(2) of the Americans With Disabilities Act of 1990.

[(7) DISTANCE EDUCATION.—

[(A) IN GENERAL.—Except as otherwise provided, the term “distance education” means education that uses one or more of the technologies described in subparagraph (B)—

[(i) to deliver instruction to students who are separated from the instructor; and

[(ii) to support regular and substantive interaction between the students and the instructor, synchronously or asynchronously.

[(B) INCLUSIONS.—For the purposes of subparagraph (A), the technologies used may include—

[(i) the Internet;

[(ii) one-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices;

[(iii) audio conferencing; or

[(iv) video cassettes, DVDs, and CD-ROMs, if the cassettes, DVDs, or CD-ROMs are used in a course in conjunction with any of the technologies listed in clauses (i) through (iii).

[(8) EARLY CHILDHOOD EDUCATION PROGRAM.—The term “early childhood education program” means—

[(A) a Head Start program or an Early Head Start program carried out under the Head Start Act (42 U.S.C. 9831 et seq.), including a migrant or seasonal Head Start program, an Indian Head Start program, or a Head Start program or an Early Head Start program that also receives State funding;

[(B) a State licensed or regulated child care program; or

[(C) a program that—

[(i) serves children from birth through age six that addresses the children’s cognitive (including language, early literacy, and early mathematics), social, emotional, and physical development; and

[(ii) is—

[(I) a State prekindergarten program;

[(II) a program authorized under section 619 or part C of the Individuals with Disabilities Education Act; or

[(III) a program operated by a local educational agency.]

(7) CORRESPONDENCE EDUCATION.—*The term “correspondence education” means education that is provided by an institution of higher education under which—*

(A) *the institution provides instructional materials (including examinations on the materials) by mail or electronic transmission to students who are separated from the instructor; and*

(B) *interaction between the institution and the student is limited and the academic instruction by faculty is not regular and substantive, as assessed by the institution’s accrediting agency or association under section 496.*

(8) EARLY CHILDHOOD EDUCATION PROGRAM.—*The term “early childhood education program” means a program—*

(A) *that serves children of a range of ages from birth through age five that addresses the children’s cognitive (including language, early literacy, and early mathematics), social, emotional, and physical development; and*

(B) *that is—*

(i) *a Head Start program or an Early Head Start program carried out under the Head Start Act (42 U.S.C. 9831 et seq.), including a migrant or seasonal Head Start program, an Indian Head Start program, or a Head Start program or an Early Head Start program that also receives State funding;*

(ii) *a State licensed or regulated child care program;*

(iii) *a State-funded prekindergarten or child care program;*

(iv) *a program authorized under section 619 of the Individuals with Disabilities Education Act or part C of such Act; or*

(v) *a program operated by a local educational agency.*

(9) **ELEMENTARY SCHOOL.**—The term “elementary school” has the same meaning given that term under section 8101 of the Elementary and Secondary Education Act of 1965.

(10) **GIFTED AND TALENTED.**—The term “gifted and talented” has the same meaning given that term under section 8101 of the Elementary and Secondary Education Act of 1965.

(11) **LOCAL EDUCATIONAL AGENCY.**—The term “local educational agency” has the same meaning given that term under section 8101 of the Elementary and Secondary Education Act of 1965.

(12) **NEW BORROWER.**—The term “new borrower” when used with respect to any date means an individual who on that date has no outstanding balance of principal or interest owing on any loan made, insured, or guaranteed under title IV.

[(13) **NONPROFIT.**—The term “nonprofit” as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.]

(13) **NONPROFIT.**—

(A) *The term “nonprofit”, when used with respect to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.*

(B) *The term “nonprofit”, when used with respect to foreign institution means—*

(i) an institution that is owned and operated only by one or more nonprofit corporations or associations; and

(ii)(I) if a recognized tax authority of the institution’s home country is recognized by the Secretary for purposes of making determinations of an institution’s nonprofit status for purposes of title IV, the institution is determined by that tax authority to be a nonprofit educational institution; or

(II) if no recognized tax authority of the institution’s home country is recognized by the Secretary for purposes of making determinations of an institution’s nonprofit status for purposes of title IV, the foreign institution demonstrates to the satisfaction of the Secretary that it is a nonprofit educational institution.

(14) **POVERTY LINE.**—The term “poverty line” means the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

(15) **SCHOOL OR DEPARTMENT OF DIVINITY.**—The term “school or department of divinity” means an institution, or a department or a branch of an institution, the program of instruction of which is designed for the education of students—

(A) to prepare the students to become ministers of religion or to enter upon some other religious vocation (or to provide continuing training for any such vocation); or

(B) to prepare the students to teach theological subjects.

(16) SECONDARY SCHOOL.—The term “secondary school” has the same meaning given that term under section 8101 of the Elementary and Secondary Education Act of 1965.

(17) SECRETARY.—The term “Secretary” means the Secretary of Education.

(18) SERVICE-LEARNING.—The term “service-learning” has the same meaning given that term under section 101(23) of the National and Community Service Act of 1990.

(19) SPECIAL EDUCATION TEACHER.—The term “special education teacher” means teachers who teach children with disabilities as defined in section 602 of the Individuals with Disabilities Education Act.

(20) STATE; FREELY ASSOCIATED STATES.—

(A) STATE.—The term “State” includes, in addition to the several States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States.

(B) FREELY ASSOCIATED STATES.—The term “Freely Associated States” means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(21) STATE EDUCATIONAL AGENCY.—The term “State educational agency” has the same meaning given that term under section 8101 of the Elementary and Secondary Education Act of 1965.

(22) STATE HIGHER EDUCATION AGENCY.—The term “State higher education agency” means the officer or agency primarily responsible for the State supervision of higher education.

(23) UNIVERSAL DESIGN.—The term “universal design” has the meaning given the term in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002).

(24) UNIVERSAL DESIGN FOR LEARNING.—The term “universal design for learning” means a scientifically valid framework for guiding educational practice that—

(A) provides flexibility in the ways information is presented, in the ways students respond or demonstrate knowledge and skills, and in the ways students are engaged; and

(B) reduces barriers in instruction, provides appropriate accommodations, supports, and challenges, and maintains high achievement expectations for all students, including students with disabilities and students who are limited English proficient.

(25) COMPETENCY-BASED EDUCATION; COMPETENCY-BASED EDUCATION PROGRAM.—

(A) COMPETENCY-BASED EDUCATION.—*Except as otherwise provided, the term “competency-based education” means education that—*

(i) measures academic progress and attainment—

(I) by direct assessment of a student’s level of mastery of competencies;

(II) by expressing a student's level of mastery of competencies in terms of equivalent credit or clock hours; or

(III) by a combination of the methods described in subclauses (I) or (II) and credit or clock hours; and

(ii) provides the educational content, activities, and resources, including substantive instructional interaction, including by faculty, and regular support by the institution, necessary to enable students to learn or develop what is required to demonstrate and attain mastery of such competencies, as assessed by the accrediting agency or association of the institution of higher education.

(B) **COMPETENCY-BASED EDUCATION PROGRAM.**—Except as otherwise provided, the term “competency-based education program” means a postsecondary program offered by an institution of higher education that—

(i) provides competency-based education, which upon a student's demonstration or mastery of a set of competencies identified and required by the institution, leads to or results in the award of a certificate, degree, or other recognized educational credential;

(ii) ensures title IV funds may be used only for learning that results from instruction provided, or overseen, by the institution, not for the portion of the program of which the student has demonstrated mastery prior to enrollment in the program or tests of learning that are not associated with educational activities overseen by the institution; and

(iii) is organized in such a manner that an institution can determine, based on the method of measurement selected by the institution under subparagraph (A)(i), what constitutes a full-time, three-quarter time, half-time, and less than half-time workload for the purposes of awarding and administering assistance under title IV of this Act, or assistance provided under another provision of Federal law to attend an institution of higher education.

(C) **COMPETENCY DEFINED.**—In this paragraph, the term “competency” means the knowledge, skill, or ability demonstrated by a student in a subject area.

(26) **PAY FOR SUCCESS INITIATIVE.**—The term “pay for success initiative” has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(27) **EVIDENCE-BASED.**—The term “evidence-based” has the meaning given the term in section 8101(21)(A) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(21)(A)), except that such term shall also apply to institutions of higher education.

PART B—ADDITIONAL GENERAL PROVISIONS

* * * * *

SEC. [112.] 112A. PROTECTION OF STUDENT SPEECH AND ASSOCIATION RIGHTS.

(a) PROTECTION OF RIGHTS.—(1) It is the sense of Congress that no student attending an institution of higher education on a full- or part-time basis should, on the basis of participation in protected speech or protected association, be excluded from participation in, be denied the benefits of, or be subjected to discrimination or official sanction under any education program, activity, or division of the institution directly or indirectly receiving financial assistance under this Act, whether or not such program, activity, or division is sponsored or officially sanctioned by the institution.

(2) *It is the sense of Congress that—*

(A) *every individual should be free to profess, and to maintain, the opinion of such individual in matters of religion, and that professing or maintaining such opinion should in no way diminish, enlarge, or affect the civil liberties or rights of such individual on the campus of an institution of higher education; and*

(B) *no public institution of higher education directly or indirectly receiving financial assistance under this Act should limit religious expression, free expression, or any other rights provided under the First Amendment.*

(3) *It is the sense of Congress that—*

(A) *free speech zones and restrictive speech codes are inherently at odds with the freedom of speech guaranteed by the First Amendment of the Constitution; and*

(B) *no public institution of higher education directly or indirectly receiving financial assistance under this Act should restrict the speech of such institution's students through such zones or codes.*

[(2)] (4) *It is the sense of Congress that—*

(A) *the diversity of institutions and educational missions is one of the key strengths of American higher education;*

(B) *individual institutions of higher education have different missions and each institution should design its academic program in accordance with its educational goals;*

(C) *an institution of higher education should facilitate the free and open exchange of ideas;*

(D) *students should not be intimidated, harassed, discouraged from speaking out, or discriminated against;*

(E) *students should be treated equally and fairly; and*

(F) *nothing in this paragraph shall be construed to modify, change, or infringe upon any constitutionally protected religious liberty, freedom, expression, or association.*

(b) **DISCLOSURE OF FREE SPEECH POLICIES.—**

(1) *IN GENERAL.—No institution of higher education shall be eligible to receive funds under this Act, including participation in any program under title IV, unless the institution certifies to the Secretary that the institution has annually disclosed to current and prospective students any policies held by the institutions related to protected speech on campus, including policies limiting where and when such speech may occur, and the right to submit a complaint under paragraph (2) if the institution is not in compliance with any policy disclosed under this para-*

graph or is enforcing a policy related to protected speech that has not been disclosed by the institution under this paragraph.

(2) COMPLAINT ON SPEECH POLICIES.—

(A) DESIGNATION OF AN EMPLOYEE.—The Secretary shall designate an employee in the Office of Postsecondary Education of the Department to receive complaints from students or student organizations that believe an institution is not in compliance with any policy disclosed under paragraph (1) or is enforcing a policy related to protected speech that has not been disclosed by the institution under such paragraph.

(B) COMPLAINT.—A complaint submitted under subparagraph (A)—

(i) shall—

(I) include the provision of the institution's policy the complainant believes the institution is not in compliance with or how the institution is enforcing a policy related to protected speech that has not been disclosed under paragraph (1); and

(II) be filed not later than 7 days of the complainant's denial of a right to speak; and

(ii) may affirmatively assert that the violation described in clause (i)(I) is a violation of the complainant's constitutional rights.

(C) SECRETARIAL REQUIREMENTS.—

(i) REVIEW.—

(I) IN GENERAL.—Not later than 7 days after the receipt of the complaint, the Secretary shall review the complaint and request a response to the complaint from the institution.

(II) RESPONSE OF SECRETARY.—Not later than 10 days after the receipt of the complaint, the Secretary shall make a decision with respect to such complaint, without regard to whether the institution provides a response to such complaint.

(ii) DETERMINATION THAT INSTITUTION FAILED TO COMPLY.—If, upon the review required under clause (i), the Secretary determines that the institution is not in compliance with the institution's policy disclosed under paragraph (1), or the institution is enforcing a policy that was not disclosed under paragraph (1), the Secretary shall—

(I)(aa) if the Secretary determines that the institution was not in compliance with a disclosed policy, require the institution to comply with the disclosed policy and provide the complainant an opportunity to speak as any other speaker would be permitted to speak; or

(bb) if the Secretary determines that the institution was enforcing an undisclosed policy, require the institution to immediately comply with disclosure requirement under paragraph (1) and to allow the complainant to speak as if such policy were not held by the institution; and

(II) require the institution to post the decision of the Secretary on the website of the institution, except in the case in which the complainant requests that the decision not be shared.

(iii) REFERRAL.—If the Secretary believes the denial of the right to speak may be a violation of the Constitutional rights of the complainant, the Secretary shall refer the complaint to the Department of Justice.

(D) LIMITATIONS.—

(i) INSTITUTION'S RELIGIOUS BELIEFS OR MISSION.—The Secretary shall defer to the institution's religious beliefs or mission that the institution describes in its response to the complaint as applicable to the complaint.

(ii) PROHIBITION ON REGULATIONS OR GUIDANCE.—The Secretary—

(I) shall not promulgate any regulations with respect to this paragraph; and

(II) may only issue guidance that explains or clarifies the process for filing or reviewing a complaint under this paragraph.

[(b)] (c) CONSTRUCTION.—Nothing in this section shall be construed—

(1) to discourage the imposition of an official sanction on a student that has willfully participated in the disruption or attempted disruption of a lecture, class, speech, presentation, or performance made or scheduled to be made under the auspices of the institution of higher education, provided that the imposition of such sanction is done objectively and fairly; or

(2) to prevent an institution of higher education from taking appropriate and effective action to prevent violations of State liquor laws, to discourage binge drinking and other alcohol abuse, to protect students from sexual harassment including assault and date rape, to prevent hazing, or to regulate unsanitary or unsafe conditions in any student residence.

[(c)] (d) DEFINITIONS.—For the purposes of this section:

(1) OFFICIAL SANCTION.—The term “official sanction”—

(A) means expulsion, suspension, probation, censure, condemnation, reprimand, or any other disciplinary, coercive, or adverse action taken by an institution of higher education or administrative unit of the institution; and

(B) includes an oral or written warning made by an official of an institution of higher education acting in the official capacity of the official.

(2) PROTECTED ASSOCIATION.—The term “protected association” means the joining, assembling, and residing with others that is protected under the first and 14th amendments to the Constitution (*including such joining, assembling, and residing for religious purposes*), or would be protected if the institution of higher education involved were subject to those amendments.

(3) PROTECTED SPEECH.—The term “protected speech” means speech that is protected under the first and 14th amendments to the Constitution (*including speech relating to religion*), or

would be protected if the institution of higher education involved were subject to those amendments.

SEC. 112B. SENSE OF CONGRESS ON INCLUSION AND RESPECT.

It is the sense of Congress that—

(1) harassment and violence targeted at students because of their race, color, religion, sex, or national origin as listed in section 703 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-2) should be condemned;

(2) institutions of higher education and law-enforcement personnel should be commended for their efforts to combat violence, extremism, and racism, and to protect all members of the community from harm; and

(3) Congress is committed to supporting institutions of higher education in creating safe, inclusive, and respectful learning environments that fully respect community members from all backgrounds.

* * * * *

SEC. 114. NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.

(a) **ESTABLISHMENT.**—There is established in the Department a National Advisory Committee on Institutional Quality and Integrity (in this section referred to as the “Committee”) to assess the process of accreditation and the institutional eligibility and certification of institutions of higher education (as defined in [section 102] *section 101*) under title IV.

(b) **MEMBERSHIP.**—

(1) **IN GENERAL.**—The Committee shall have 18 members, of which—

(A) six members shall be appointed by the Secretary;

(B) six members shall be appointed by the Speaker of the House of Representatives, three of whom shall be appointed on the recommendation of the majority leader of the House of Representatives, and three of whom shall be appointed on the recommendation of the minority leader of the House of Representatives; and

(C) six members shall be appointed by the President pro tempore of the Senate, three of whom shall be appointed on the recommendation of the majority leader of the Senate, and three of whom shall be appointed on the recommendation of the minority leader of the Senate.

(2) **QUALIFICATIONS.**—Individuals shall be appointed as members of the Committee—

(A) on the basis of the individuals’ experience, integrity, impartiality, and good judgment;

(B) from among individuals who are representatives of, or knowledgeable concerning, education and training beyond secondary education, representing all sectors and types of institutions of higher education (as defined in [section 102] *section 101*); and

(C) on the basis of the individuals’ technical qualifications, professional standing, and demonstrated knowledge in the fields of accreditation and administration in higher education.

(3) **TERMS OF MEMBERS.**—**Except as provided in paragraph (5), the term** *The term* of office of each member of the Committee shall be for six years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of such term.

(4) **VACANCY.**—A vacancy on the Committee shall be filled in the same manner as the original appointment was made not later than 90 days after the vacancy occurs. If a vacancy occurs in a position to be filled by the Secretary, the Secretary shall publish a Federal Register notice soliciting nominations for the position not later than 30 days after being notified of the vacancy.

(5) INITIAL TERMS.—The terms of office for the initial members of the Committee shall be—

(A) three years for members appointed under paragraph (1)(A);

(B) four years for members appointed under paragraph (1)(B); and

(C) six years for members appointed under paragraph (1)(C).**]**

(5) **SECRETARIAL APPOINTEES.**—*The Secretary may remove any member who was appointed under paragraph (1)(A) by a predecessor of the Secretary and may fill the vacancy created by such removal in accordance with paragraphs (3) and (4).*

(6) **CHAIRPERSON.**—The members of the Committee shall select a chairperson from among the members.

(c) **FUNCTIONS.**—The Committee shall—

(1) advise the Secretary with respect to establishment and enforcement of the standards of accrediting agencies or associations under subpart 2 of part H of title IV;

(2) advise the Secretary with respect to the recognition of a specific accrediting agency or association; *and*

(3) advise the Secretary with respect to the preparation and publication of the list of nationally recognized accrediting agencies and associations**];**

(4) advise the Secretary with respect to the eligibility and certification process for institutions of higher education under title IV, together with recommendations for improvements in such process;

(5) advise the Secretary with respect to the relationship between—

(A) accreditation of institutions of higher education and the certification and eligibility of such institutions; and

(B) State licensing responsibilities with respect to such institutions; and

(6) carry out such other advisory functions relating to accreditation and institutional eligibility as the Secretary may prescribe by regulation.**]**

(d) **MEETING PROCEDURES.**—

(1) **SCHEDULE.**—

(A) BIENNIAL MEETINGS.—The Committee shall meet not less often than twice each year, at the call of the Chairperson.

- (B) PUBLICATION OF DATE.—The Committee shall submit the date and location of each meeting in advance to the Secretary, and the Secretary shall publish such information in the Federal Register not later than 30 days before the meeting.
- (2) AGENDA.—
- (A) ESTABLISHMENT.—The agenda for a meeting of the Committee shall be established by the Chairperson and shall be submitted to the members of the Committee upon notification of the meeting.
- (B) OPPORTUNITY FOR PUBLIC COMMENT.—The agenda shall include, at a minimum, opportunity for public comment during the Committee's deliberations.
- (3) SECRETARY'S DESIGNEE.—The Secretary shall designate an employee of the Department to serve as the Secretary's designee to the Committee, and the Chairperson shall invite the Secretary's designee to attend all meetings of the Committee.
- (4) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the Committee, except that section 14 of such Act shall not apply.
- (e) REPORT AND NOTICE.—
- (1) NOTICE.—The Secretary shall annually publish in the Federal Register—
- (A) a list containing, for each member of the Committee—
- (i) the member's name;
 - (ii) the date of the expiration of the member's term of office; and
 - (iii) the name of the individual described in subsection (b)(1) who appointed the member; and
- (B) a solicitation of nominations for each expiring term of office on the Committee of a member appointed by the Secretary.
- (2) REPORT.—Not later than the last day of each fiscal year, the Committee shall make available an annual report to the Secretary, the authorizing committees, and the public. The annual report shall contain—
- (A) a detailed summary of the agenda and activities of, and the findings and recommendations made by, the Committee during the fiscal year preceding the fiscal year in which the report is made;
 - (B) a list of the date and location of each meeting during the fiscal year preceding the fiscal year in which the report is made;
 - (C) a list of the members of the Committee; and
 - (D) a list of the functions of the Committee[, including any additional functions established by the Secretary through regulation].
- (f) TERMINATION.—The Committee shall terminate on **[September 30, 2017]** *September 30, 2024*.

* * * * *

[SEC. 117. DISCLOSURES OF FOREIGN GIFTS.

[(a) DISCLOSURE REPORT.—Whenever any institution is owned or controlled by a foreign source or receives a gift from or enters into

a contract with a foreign source, the value of which is \$250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the institution shall file a disclosure report with the Secretary on January 31 or July 31, whichever is sooner.

[(b) CONTENTS OF REPORT.—Each report to the Secretary required by this section shall contain the following:

[(1) For gifts received from or contracts entered into with a foreign source other than a foreign government, the aggregate dollar amount of such gifts and contracts attributable to a particular country. The country to which a gift is attributable is the country of citizenship, or if unknown, the principal residence for a foreign source who is a natural person, and the country of incorporation, or if unknown, the principal place of business, for a foreign source which is a legal entity.

[(2) For gifts received from or contracts entered into with a foreign government, the aggregate amount of such gifts and contracts received from each foreign government.

[(3) In the case of an institution which is owned or controlled by a foreign source, the identity of the foreign source, the date on which the foreign source assumed ownership or control, and any changes in program or structure resulting from the change in ownership or control.

[(c) ADDITIONAL DISCLOSURES FOR RESTRICTED AND CONDITIONAL GIFTS.—Notwithstanding the provisions of subsection (b), whenever any institution receives a restricted or conditional gift or contract from a foreign source, the institution shall disclose the following:

[(1) For such gifts received from or contracts entered into with a foreign source other than a foreign government, the amount, the date, and a description of such conditions or restrictions. The report shall also disclose the country of citizenship, or if unknown, the principal residence for a foreign source which is a natural person, and the country of incorporation, or if unknown, the principal place of business for a foreign source which is a legal entity.

[(2) For gifts received from or contracts entered into with a foreign government, the amount, the date, a description of such conditions or restrictions, and the name of the foreign government.

[(d) RELATION TO OTHER REPORTING REQUIREMENTS.—

[(1) STATE REQUIREMENTS.—If an institution described under subsection (a) is within a State which has enacted requirements for public disclosure of gifts from or contracts with a foreign source that are substantially similar to the requirements of this section, a copy of the disclosure report filed with the State may be filed with the Secretary in lieu of a report required under subsection (a). The State in which the institution is located shall provide to the Secretary such assurances as the Secretary may require to establish that the institution has met the requirements for public disclosure under State law if the State report is filed.

[(2) USE OF OTHER FEDERAL REPORTS.—If an institution receives a gift from, or enters into a contract with, a foreign source, where any other department, agency, or bureau of the executive branch requires a report containing requirements

substantially similar to those required under this section, a copy of the report may be filed with the Secretary in lieu of a report required under subsection (a).

[(e) PUBLIC INSPECTION.—All disclosure reports required by this section shall be public records open to inspection and copying during business hours.

[(f) ENFORCEMENT.—

[(1) COURT ORDERS.—Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated under this section, a civil action may be brought by the Attorney General, at the request of the Secretary, in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such court to compel compliance with the requirements of this section.

[(2) COSTS.—For knowing or willful failure to comply with the requirements of this section, including any rule or regulation promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.

[(g) REGULATIONS.—The Secretary may promulgate regulations to carry out this section.

[(h) DEFINITIONS.—For the purpose of this section—

[(1) the term “contract” means any agreement for the acquisition by purchase, lease, or barter of property or services by the foreign source, for the direct benefit or use of either of the parties;

[(2) the term “foreign source” means—

[(A) a foreign government, including an agency of a foreign government;

[(B) a legal entity, governmental or otherwise, created solely under the laws of a foreign state or states;

[(C) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and

[(D) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source;

[(3) the term “gift” means any gift of money or property;

[(4) the term “institution” means any institution, public or private, or, if a multicampus institution, any single campus of such institution, in any State, that—

[(A) is legally authorized within such State to provide a program of education beyond secondary school;

[(B) provides a program for which the institution awards a bachelor’s degree (or provides not less than a 2-year program which is acceptable for full credit toward such a degree) or more advanced degrees; and

[(C) is accredited by a nationally recognized accrediting agency or association and to which institution Federal financial assistance is extended (directly or indirectly through another entity or person), or which institution receives support from the extension of Federal financial assistance to any of the institution’s subunits; and

[(5) the term “restricted or conditional gift or contract” means any endowment, gift, grant, contract, award, present, or property of any kind which includes provisions regarding—

[(A) the employment, assignment, or termination of faculty;

[(B) the establishment of departments, centers, research or lecture programs, or new faculty positions;

[(C) the selection or admission of students; or

[(D) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.]

SEC. [118.] 117. APPLICATION OF PEER REVIEW PROCESS.

All applications submitted under the provisions of this Act which require peer review shall be read by a panel of readers composed of individuals selected by the Secretary, which shall include outside readers who are not employees of the Federal Government. The Secretary shall ensure that no individual assigned under this section to review any application has any conflict of interest with regard to that application which might impair the impartiality with which that individual conducts the review under this section.

[SEC. 119. BINGE DRINKING ON COLLEGE CAMPUSES.

[(a) **SHORT TITLE.**—This section may be cited as the “Collegiate Initiative To Reduce Binge Drinking and Illegal Alcohol Consumption”.

[(b) **SENSE OF CONGRESS.**—It is the sense of Congress that, in an effort to change the culture of alcohol consumption on college campuses, all institutions of higher education should carry out the following:

[(1) The president of the institution should appoint a task force consisting of school administrators, faculty, students, Greek system representatives, and others to conduct a full examination of student and academic life at the institution. The task force should make recommendations for a broad range of policy and program changes that would serve to reduce alcohol and other drug-related problems. The institution should provide resources to assist the task force in promoting the campus policies and proposed environmental changes that have been identified.

[(2) The institution should provide maximum opportunities for students to live in an alcohol-free environment and to engage in stimulating, alcohol-free recreational and leisure activities.

[(3) The institution should enforce a “zero tolerance” policy on the illegal consumption of alcohol by students at the institution.

[(4) The institution should vigorously enforce the institution’s code of disciplinary sanctions for those who violate campus alcohol policies. Students with alcohol or other drug-related problems should be referred for assistance, including on-campus counseling programs if appropriate.

[(5) The institution should adopt a policy to discourage alcoholic beverage-related sponsorship of on-campus activities. It

should adopt policies limiting the advertisement and promotion of alcoholic beverages on campus.

[(6) The institution should work with the local community, including local businesses, in a “Town/Gown” alliance to encourage responsible policies toward alcohol consumption and to address illegal alcohol use by students.

[SEC. 120. DRUG AND ALCOHOL ABUSE PREVENTION.

[(a) RESTRICTION ON ELIGIBILITY.—Notwithstanding any other provision of law, no institution of higher education shall be eligible to receive funds or any other form of financial assistance under any Federal program, including participation in any federally funded or guaranteed student loan program, unless the institution certifies to the Secretary that the institution has adopted and has implemented a program to prevent the use of illicit drugs and the abuse of alcohol by students and employees that, at a minimum, includes—

[(1) the annual distribution to each student and employee of—

[(A) standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on the institution’s property or as part of any of the institution’s activities;

[(B) a description of the applicable legal sanctions under local, State, or Federal law for the unlawful possession or distribution of illicit drugs and alcohol;

[(C) a description of the health-risks associated with the use of illicit drugs and the abuse of alcohol;

[(D) a description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to employees or students; and

[(E) a clear statement that the institution will impose sanctions on students and employees (consistent with local, State, and Federal law), and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct required by subparagraph (A); and

[(2) a biennial review by the institution of the institution’s program to—

[(A) determine the program’s effectiveness and implement changes to the program if the changes are needed;

[(B) determine the number of drug and alcohol-related violations and fatalities that—

[(i) occur on the institution’s campus (as defined in section 485(f)(6)), or as part of any of the institution’s activities; and

[(ii) are reported to campus officials;

[(C) determine the number and type of sanctions described in paragraph (1)(E) that are imposed by the institution as a result of drug and alcohol-related violations and fatalities on the institution’s campus or as part of any of the institution’s activities; and

[(D) ensure that the sanctions required by paragraph (1)(E) are consistently enforced.

[(b) INFORMATION AVAILABILITY.—Each institution of higher education that provides the certification required by subsection (a) shall, upon request, make available to the Secretary and to the public a copy of each item required by subsection (a)(1) as well as the results of the biennial review required by subsection (a)(2).

[(c) REGULATIONS.—

[(1) IN GENERAL.—The Secretary shall publish regulations to implement and enforce the provisions of this section, including regulations that provide for—

[(A) the periodic review of a representative sample of programs required by subsection (a); and

[(B) a range of responses and sanctions for institutions of higher education that fail to implement their programs or to consistently enforce their sanctions, including information and technical assistance, the development of a compliance agreement, and the termination of any form of Federal financial assistance.

[(2) REHABILITATION PROGRAM.—The sanctions required by subsection (a)(1)(E) may include the completion of an appropriate rehabilitation program.

[(d) APPEALS.—Upon determination by the Secretary to terminate financial assistance to any institution of higher education under this section, the institution may file an appeal with an administrative law judge before the expiration of the 30-day period beginning on the date such institution is notified of the decision to terminate financial assistance under this section. Such judge shall hold a hearing with respect to such termination of assistance before the expiration of the 45-day period beginning on the date that such appeal is filed. Such judge may extend such 45-day period upon a motion by the institution concerned. The decision of the judge with respect to such termination shall be considered to be a final agency action.

[(e) ALCOHOL AND DRUG ABUSE PREVENTION GRANTS.—

[(1) PROGRAM AUTHORITY.—The Secretary may make grants to institutions of higher education or consortia of such institutions, and enter into contracts with such institutions, consortia, and other organizations, to develop, implement, operate, improve, and disseminate programs of prevention, and education (including treatment-referral) to reduce and eliminate the illegal use of drugs and alcohol and the violence associated with such use. Such grants or contracts may also be used for the support of a higher education center for alcohol and drug abuse prevention that will provide training, technical assistance, evaluation, dissemination, and associated services and assistance to the higher education community as determined by the Secretary and institutions of higher education.

[(2) AWARDS.—Grants and contracts shall be awarded under paragraph (1) on a competitive basis.

[(3) APPLICATIONS.—An institution of higher education, a consortium of such institutions, or another organization that desires to receive a grant or contract under paragraph (1) shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require by regulation.

[(4) ADDITIONAL REQUIREMENTS.—

[(A) PARTICIPATION.—In awarding grants and contracts under this subsection the Secretary shall make every effort to ensure—

[(i) the equitable participation of private and public institutions of higher education (including community and junior colleges); and

[(ii) the equitable geographic participation of such institutions.

[(B) CONSIDERATION.—In awarding grants and contracts under this subsection the Secretary shall give appropriate consideration to institutions of higher education with limited enrollment.

[(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.]

SEC. 118. OPIOID MISUSE AND SUBSTANCE ABUSE PREVENTION PROGRAM.

(a) *REQUIRED PROGRAMS.*—*Each institution of higher education participating in any program under this Act shall adopt and implement an evidence-based program to prevent substance abuse by students and employees that, at a minimum, includes the annual distribution to each student and employee of—*

(1) *institutional standards of conduct and sanctions that clearly prohibit and address the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees; and*

(2) *the description of any drug or alcohol counseling, treatment, rehabilitation, or re-entry programs that are available to students or employees, including information on opioid abuse prevention, harm reduction, and recovery.*

(b) *INFORMATION AVAILABILITY.*—*Each institution of higher education described in subsection (a) shall, upon request, make available to the Secretary and to the public a copy of the institutional standards described under subsection (a)(1) and information regarding any programs described in subsection (a)(2).*

(c) *BEST PRACTICES.*—*The Secretary, in consultation with the Secretary of Health and Human Services and outside experts in the field of substance use prevention and recovery support, shall—*

(1) *share best practices for institutions of higher education to—*

(A) *address and prevent substance use; and*

(B) *support students in substance use recovery; and*

(2) *if requested by an institution of higher education, provide technical assistance to such institution to implement a practice under paragraph (1).*

SEC. [121.] 119. PRIOR RIGHTS AND OBLIGATIONS.

(a) *AUTHORIZATION OF APPROPRIATIONS.*—

(1) *PRE-1987 PARTS C AND D OF TITLE VII.*—*There are authorized to be appropriated such sums as may be necessary for fiscal year 2009 and for each succeeding fiscal year to pay obligations incurred prior to 1987 under parts C and D of title VII, as such parts were in effect before the effective date of the Higher Education Amendments of 1992.*

(2) POST-1992 AND PRE-1998 PART C OF TITLE VII.—There are authorized to be appropriated such sums as may be necessary for fiscal year 2009 and for each succeeding fiscal year to pay obligations incurred prior to the date of enactment of the Higher Education Amendments of 1998 under part C of title VII, as such part was in effect during the period—

(A) after the effective date of the Higher Education Amendments of 1992; and

(B) prior to the date of enactment of the Higher Education Amendments of 1998.

(b) LEGAL RESPONSIBILITIES.—

(1) PRE-1987 TITLE VII.—All entities with continuing obligations incurred under parts A, B, C, and D of title VII, as such parts were in effect before the effective date of the Higher Education Amendments of 1992, shall be subject to the requirements of such part as in effect before the effective date of the Higher Education Amendments of 1992.

(2) POST-1992 AND PRE-1998 PART C OF TITLE VII.—All entities with continuing obligations incurred under part C of title VII, as such part was in effect during the period—

(A) after the effective date of the Higher Education Amendments of 1992; and

(B) prior to the date of enactment of the Higher Education Amendments of 1998,

shall be subject to the requirements of such part as such part was in effect during such period.

SEC. [122.] 120. RECOVERY OF PAYMENTS.

(a) PUBLIC BENEFIT.—Congress declares that, if a facility constructed with the aid of a grant under part A of title VII as such part A was in effect prior to the date of enactment of the Higher Education Amendments of 1998, or part B of such title as part B was in effect prior to the date of enactment of the Higher Education Amendments of 1992, is used as an academic facility for 20 years following completion of such construction, the public benefit accruing to the United States will equal in value the amount of the grant. The period of 20 years after completion of such construction shall therefore be deemed to be the period of Federal interest in such facility for the purposes of such title as so in effect.

(b) RECOVERY UPON CESSATION OF PUBLIC BENEFIT.—If, within 20 years after completion of construction of an academic facility which has been constructed, in part with a grant under part A of title VII as such part A was in effect prior to the date of enactment of the Higher Education Amendments of 1998, or part B of title VII as such part B was in effect prior to the date of enactment of the Higher Education Amendments of 1992—

(1) the applicant under such parts as so in effect (or the applicant's successor in title or possession) ceases or fails to be a public or nonprofit institution; or

(2) the facility ceases to be used as an academic facility, or the facility is used as a facility excluded from the term "academic facility" (as such term was defined under title VII, as so in effect), unless the Secretary determines that there is good cause for releasing the institution from its obligation,

the United States shall be entitled to recover from such applicant (or successor) an amount which bears to the value of the facility

at that time (or so much thereof as constituted an approved project or projects) the same ratio as the amount of Federal grant bore to the cost of the facility financed with the aid of such grant. The value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

(c) **PROHIBITION ON USE FOR RELIGION.**—Notwithstanding the provisions of subsections (a) and (b), no project assisted with funds under title VII (as in effect prior to the date of enactment of the Higher Education Amendments of 1998) shall ever be used for religious worship or a sectarian activity or for a school or department of divinity.

SEC. [123.] 121. DIPLOMA MILLS.

(a) **INFORMATION TO THE PUBLIC.**—The Secretary shall maintain information and resources on the Department’s website to assist students, families, and employers in understanding what a diploma mill is and how to identify and avoid diploma mills.

(b) **COLLABORATION.**—The Secretary shall continue to collaborate with the United States Postal Service, the Federal Trade Commission, the Department of Justice (including the Federal Bureau of Investigation), the Internal Revenue Service, and the Office of Personnel Management to maximize Federal efforts to—

- (1) prevent, identify, and prosecute diploma mills; and
- (2) broadly disseminate to the public information about diploma mills, and resources to identify diploma mills.

SEC. 122. CAMPUS ACCESS FOR RELIGIOUS GROUPS.

None of the funds made available under this Act may be provided to any public institution of higher education that denies to a religious student organization any right, benefit, or privilege that is generally afforded to other student organizations at the institution (including full access to the facilities of the institution and official recognition of the organization by the institution) because of the religious beliefs, practices, speech, leadership and membership standards, or standards of conduct of the religious student organization.

SEC. 123. SECRETARIAL PROHIBITIONS.

(a) **IN GENERAL.**—*Nothing in this Act shall be construed to authorize or permit the Secretary to promulgate any rule or regulation that exceeds the scope of the explicit authority granted to the Secretary under this Act.*

(b) **DEFINITIONS.**—*The Secretary shall not define any term that is used in this Act in a manner that is inconsistent with the scope of this Act, including through regulation or guidance.*

(c) **REQUIREMENTS.**—*The Secretary shall not impose, on an institution or State as a condition of participation in any program under this Act, any requirement that exceeds the scope of the requirements explicitly set forth in this Act for such program.*

SEC. 124. ENSURING EQUAL TREATMENT BY GOVERNMENTAL ENTITIES.

(a) **IN GENERAL.**—*Notwithstanding any other provision of law, no government entity shall take any adverse action against an institution of higher education that receives funding under title IV, if such adverse action—*

- (1)(A) *is being taken by a government entity that—*

- (i) is a department, agency, or instrumentality of the Federal Government; or
 - (ii) receives Federal funds; or
 - (B) would affect commerce with foreign nations, among the several States, or with Indian Tribes; and
 - (2) has the effect of prohibiting or penalizing the institution for acts or omissions by the institution that are in furtherance of its religious mission or are related to the religious affiliation of the institution.
- (b) **ASSERTION BY INSTITUTION.**—An actual or threatened violation of subsection (a) may be asserted by an institution of higher education that receives funding under title IV as a claim or defense in a proceeding before any court. The court shall grant any appropriate equitable relief, including injunctive or declaratory relief.
- (c) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to alter or amend—
- (1) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);
 - (2) section 182 of the Elementary and Secondary Education Amendments Act of 1966 (42 U.S.C. 2000d-5); or
 - (3) section 2 of the Elementary and Secondary Education Amendments Act of 1969 (42 U.S.C. 2000d-6)
- (d) **DEFINITIONS.**—In this section:
- (1) **ADVERSE ACTION.**—The term “adverse action” includes, with respect to an institution of higher education or the past, current, or prospective students of such institution—
 - (A) the denial or threat of denial of funding, including grants, scholarships, or loans;
 - (B) the denial or threat of denial of access to facilities or programs;
 - (C) the withholding or threat of withholding of any licenses, permits, certifications, accreditations, contracts, cooperative agreements, grants, guarantees, tax-exempt status, or exemptions; or
 - (D) any other penalty or denial, or threat of such other penalty or denial, of an otherwise available benefit.
 - (2) **GOVERNMENT ENTITY.**—The term “government entity” means—
 - (A) any department, agency, or instrumentality of the Federal Government;
 - (B) a State or political subdivision of a State, or any agency or instrumentality thereof; and
 - (C) any interstate or other inter-governmental entity.
 - (3) **INSTITUTION OF HIGHER EDUCATION.**—The term “institution of higher education” has the meaning given the term in section 101 or 102.
 - (4) **RELIGIOUS MISSION.**—The term “religious mission” includes an institution of higher education’s religious tenets, beliefs, or teachings, and any policies or decisions related to such tenets, beliefs, or teachings (including any policies or decisions concerning housing, employment, curriculum, self-governance, or student admission, continuing enrollment, or graduation).

SEC. 125. SINGLE-SEX SOCIAL STUDENT ORGANIZATIONS.

(a) **NON-RETALIATION AGAINST SINGLE-SEX STUDENT ORGANIZATIONS.**—An institution of higher education that has a policy allow-

ing for the official recognition of a single-sex social student organization may not—

(1) require or coerce such a recognized organization to admit as a member an individual who does not meet the organization's criteria for single-sex status;

(2) require or coerce such a recognized organization to permit an individual described in paragraph (1) to participate in the activities of the organization;

(3) take any adverse action against a student on the basis of the student's membership in such recognized organization; or

(4) impose any requirement or restriction, including on timing for accepting new members or membership recruitment, on such a recognized organization (or its current or prospective members) based on the organization's single-sex status or its criteria for defining its single-sex status.

(b) CONSTRUCTION.—Nothing in this Act shall be construed—

(1) to create any enforceable right—

(A) by a local, college, or university student organization against a national student organization; or

(B) by a national student organization against any local, college, or university student organization;

(2) to require an institution of higher education to have a policy allowing for the official recognition of a single-sex social student organization; or

(3) to prohibit an institution of higher education from taking an adverse action against a member of a single-sex social student organization for reasons other than on the basis of such student's membership in such organization, such as academic or non-academic misconduct.

(c) ADVERSE ACTION.—For the purposes of this section, the term “adverse action” includes the following:

(1) Expulsion, suspension, probation, censure, condemnation, reprimand, or any other disciplinary, coercive, or adverse action taken by an institution of higher education or administrative unit of such an institution.

(2) An oral or written warning made by an official of an institution of higher education acting in the official's official capacity.

(3) Denying participation in any education program or activity.

(4) Withholding, in whole or in part, any financial assistance (including scholarships and on-campus employment), or denying the opportunity to apply for financial assistance, a scholarship, or on-campus employment.

(5) Denying or restricting access to on-campus housing.

(6) Denying any certification or letter of recommendation that may be required by a student's current or future employer, a government agency, a licensing board, or an educational institution or scholarship program to which the student seeks to apply.

(7) Denying participation in any sports team, club, or other student organization, or denying any leadership position in any sports team, club, or other student organization.

SEC. 126. DEPARTMENT STAFF.

The Secretary shall—

(1) not later than 60 days after the date of enactment of the PROSPER Act, identify the number of Department full-time equivalent employees who worked on or administered each education program or project authorized under this Act, as such program or project was in effect on the day before such date, and publish such information on the Department's website;

(2) not later than 60 days after such date, identify the number of full-time equivalent employees who worked on or administered each program or project authorized under this Act, as such program or project was in effect on the day before such date, that has been eliminated or consolidated since such date;

(3) not later than 1 year after such date, reduce the workforce of the Department by the number of full-time equivalent employees the Department identified under paragraph (2); and

(4) not later than 1 year after such date, report to the Congress on—

(A) the number of full-time equivalent employees associated with each program or project authorized under this Act and administered by the Department;

(B) the number of full-time equivalent employees who were determined to be associated with eliminated or consolidated programs or projects described in paragraph (2);

(C) how the Secretary has reduced the number of full-time equivalent employees as described in paragraph (3);

(D) the average salary of the full-time equivalent employees described in subparagraph (B) whose positions were eliminated; and

(E) the average salary of the full-time equivalent employees who work on or administer a program or project authorized by the Department under this Act, disaggregated by employee function within each such program or project.

SEC. 127. DEPARTMENT OF HOMELAND SECURITY RECRUITING ON CAMPUS.

None of the funds made available under this Act may be provided to any institution of higher education that has in effect a policy or practice that either prohibits, or in effect prevents, the Secretary of Homeland Security from gaining access to campuses or access to students (who are 17 years of age or older) on campuses, for purposes of Department of Homeland Security recruiting in a manner that is at least equal in quality and scope to the access to campuses and to students that is provided to any other employer.

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PART C—COST OF HIGHER EDUCATION

SEC. 131. IMPROVEMENTS IN MARKET INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

(a) IMPROVED DATA COLLECTION.—

(1) DEVELOPMENT OF UNIFORM METHODOLOGY.—The Secretary shall direct the Commissioner of Education Statistics to convene a series of forums to develop nationally consistent methodologies for reporting costs incurred by postsecondary institutions in providing postsecondary education.

(2) REDESIGN OF DATA SYSTEMS.—On the basis of the methodologies developed pursuant to paragraph (1), the Secretary shall redesign relevant parts of the postsecondary education data systems to improve the usefulness and timeliness of the data collected by such systems.

(3) INFORMATION TO INSTITUTIONS.—The Commissioner of Education Statistics shall—

(A) develop a standard definition for the following data elements:

(i) tuition and fees for a full-time undergraduate student;

(ii) cost of attendance for a full-time undergraduate student, consistent with the provisions of section 472;

(iii) average amount of financial assistance received by an undergraduate student who attends an institution of higher education, including—

(I) each type of assistance or benefit described in section 428(a)(2)(C)(ii);

(II) fellowships; and

(III) institutional and other assistance; and

(iv) number of students receiving financial assistance described in each of subclauses (I), (II), and (III) of clause (iii);

(B) not later than 90 days after the date of enactment of the Higher Education Amendments of 1998, report the definitions to each institution of higher education and within a reasonable period of time thereafter inform the authorizing committees of those definitions; and

(C) collect information regarding the data elements described in subparagraph (A) with respect to at least all institutions of higher education participating in programs under title IV, beginning with the information from academic year 2000–2001 and annually thereafter.

(b) DATA DISSEMINATION.—The Secretary shall make available the data collected pursuant to subsection (a). Such data shall be available in a form that permits the review and comparison of the data submissions of individual institutions of higher education. Such data shall be presented in a form that is easily understandable and allows parents and students to make informed decisions based on the costs for typical full-time undergraduate students.

(c) STUDY.—

(1) IN GENERAL.—The Commissioner of Education Statistics shall conduct a national study of expenditures at institutions of higher education. Such study shall include information with respect to—

(A) the change in tuition and fees compared with the consumer price index and other appropriate measures of inflation;

(B) faculty salaries and benefits;

(C) administrative salaries, benefits and expenses;

(D) academic support services;

(E) research;

(F) operations and maintenance; and

- (G) institutional expenditures for construction and technology and the potential cost of replacing instructional buildings and equipment.
- (2) EVALUATION.—The study shall include an evaluation of—
- (A) changes over time in the expenditures identified in paragraph (1);
 - (B) the relationship of the expenditures identified in paragraph (1) to college costs; and
 - (C) the extent to which increases in institutional financial aid and tuition discounting practices affect tuition increases, including the demographics of students receiving such discounts, the extent to which financial aid is provided to students with limited need in order to attract a student to a particular institution, and the extent to which Federal financial aid, including loan aid, has been used to offset the costs of such practices.
- (3) FINAL REPORT.—The Commissioner of Education Statistics shall submit a report regarding the findings of the study required by paragraph (1) to the appropriate committees of Congress not later than September 30, 2002.
- (4) HIGHER EDUCATION MARKET BASKET.—The Bureau of Labor Statistics, in consultation with the Commissioner of Education Statistics, shall develop a higher education market basket that identifies the items that comprise the costs of higher education. The Bureau of Labor Statistics shall provide a report on the market basket to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than September 30, 2002.
- (5) FINES.—In addition to actions authorized in section 487(c), the Secretary may impose a fine in an amount not to exceed \$25,000 on an institution of higher education for failing to provide the information described in paragraph (1) in a timely and accurate manner, or for failing to otherwise cooperate with the National Center for Education Statistics regarding efforts to obtain data on the cost of higher education under this section and pursuant to the program participation agreement entered into under section 487.
- (d) PROMOTION OF THE DEPARTMENT OF EDUCATION FEDERAL STUDENT FINANCIAL AID WEBSITE.—The Secretary shall display a link to the Federal student financial aid website of the Department in a prominent place on the homepage of the Department's website.
- (e) ENHANCED STUDENT FINANCIAL AID INFORMATION.—
- (1) IMPLEMENTATION.—The Secretary shall continue to improve the usefulness and accessibility of the information provided by the Department on college planning and student financial aid.
 - (2) DISSEMINATION.—The Secretary shall continue to make the availability of the information on the Federal student financial aid website of the Department widely known, through a major media campaign and other forms of communication.
 - (3) COORDINATION.—As a part of the efforts required under this subsection, the Secretary shall create one website accessible from the Department's website that fulfills the requirements under subsections (b), (f), and (g).

(f) IMPROVED AVAILABILITY AND COORDINATION OF INFORMATION CONCERNING STUDENT FINANCIAL AID PROGRAMS FOR MILITARY MEMBERS AND VETERANS.—

(1) COORDINATION.—The Secretary, in coordination with the Secretary of Defense and the Secretary of Veterans Affairs, shall create a searchable website that—

(A) contains information, in simple and understandable terms, about all Federal and State student financial assistance, readmission requirements under section 484C, and other student services, for which members of the Armed Forces (including members of the National Guard and Reserves), veterans, and the dependents of such members or veterans may be eligible; and

(B) is easily accessible through the website described in subsection (e)(3).

(2) IMPLEMENTATION.—Not later than one year after the date of enactment of the Higher Education Opportunity Act, the Secretary shall make publicly available the Armed Forces information website described in paragraph (1).

(3) DISSEMINATION.—The Secretary, in coordination with the Secretary of Defense and the Secretary of Veterans Affairs, shall make the availability of the Armed Forces information website described in paragraph (1) widely known to members of the Armed Forces (including members of the National Guard and Reserves), veterans, the dependents of such members or veterans, States, institutions of higher education, and the general public.

(4) DEFINITION.—In this subsection, the term “Federal and State student financial assistance” means any grant, loan, work assistance, tuition assistance, scholarship, fellowship, or other form of financial aid for pursuing a postsecondary education that is—

(A) administered, sponsored, or supported by the Department of Education, the Department of Defense, the Department of Veterans Affairs, or a State; and

(B) available to members of the Armed Forces (including members of the National Guard and Reserves), veterans, or the dependents of such members or veterans.

(g) PROMOTION OF AVAILABILITY OF INFORMATION CONCERNING OTHER STUDENT FINANCIAL AID PROGRAMS.—

(1) DEFINITION.—For purposes of this subsection, the term “nondepartmental student financial assistance program” means any grant, loan, scholarship, fellowship, or other form of financial aid for students pursuing a postsecondary education that is—

(A) distributed directly to the student or to the student’s account at an institution of higher education; and

(B) operated, sponsored, or supported by a Federal department or agency other than the Department of Education.

(2) AVAILABILITY OF OTHER STUDENT FINANCIAL AID INFORMATION.—The Secretary shall ensure that—

(A) not later than 90 days after the Secretary receives the information required under paragraph (3), the eligibility requirements, application procedures, financial terms

and conditions, and other relevant information for each nondepartmental student financial assistance program are searchable and accessible through the Federal student financial aid website in a manner that is simple and understandable for students and the students' families; and

(B) the website displaying the information described in subparagraph (A) includes a link to the National Database on Financial Assistance for the Study of Science, Technology, Engineering, and Mathematics pursuant to paragraph (4), and the information on military benefits under subsection (f), once such Database and information are available.

(3) NONDEPARTMENTAL STUDENT FINANCIAL ASSISTANCE PROGRAMS.—The Secretary shall request all Federal departments and agencies to provide the information described in paragraph (2)(A), and each Federal department or agency shall—

(A) promptly respond to surveys or other requests from the Secretary for the information described in such paragraph; and

(B) identify for the Secretary any nondepartmental student financial assistance program operated, sponsored, or supported by such Federal department or agency.

(4) NATIONAL STEM DATABASE.—

(A) IN GENERAL.—The Secretary shall establish and maintain, on the website described in subsection (e)(3), a National Database on Financial Assistance for the Study of Science, Technology, Engineering, and Mathematics (in this paragraph referred to as the “STEM Database”). The STEM Database shall consist of information on scholarships, fellowships, and other programs of Federal, State, local, and, to the maximum extent practicable, private financial assistance available for the study of science, technology, engineering, or mathematics at the postsecondary and postbaccalaureate levels.

(B) DATABASE CONTENTS.—The information maintained on the STEM Database shall be displayed on the website in the following manner:

(i) SEPARATE INFORMATION.—The STEM Database shall provide separate information for each of the fields of science, technology, engineering, and mathematics, and for postsecondary and postbaccalaureate programs of financial assistance.

(ii) INFORMATION ON TARGETED ASSISTANCE.—The STEM Database shall provide specific information on any program of financial assistance that is targeted to individuals based on financial need, merit, or student characteristics.

(iii) CONTACT AND WEBSITE INFORMATION.—The STEM Database shall provide—

(I) standard contact information that an interested person may use to contact a sponsor of any program of financial assistance included in the STEM Database; and

(II) if such sponsor maintains a public website, a link to the website.

(iv) SEARCH AND MATCH CAPABILITIES.—The STEM Database shall—

(I) have a search capability that permits an individual to search for information on the basis of each category of the information provided through the STEM Database and on the basis of combinations of categories of the information provided, including—

(aa) whether the financial assistance is need- or merit-based; and

(bb) by relevant academic majors; and

(II) have a match capability that—

(aa) searches the STEM Database for all financial assistance opportunities for which an individual may be qualified to apply, based on the student characteristics provided by such individual; and

(bb) provides information to an individual for only those opportunities for which such individual is qualified, based on the student characteristics provided by such individual.

(v) RECOMMENDATION AND DISCLAIMER.—The STEM Database shall provide, to the users of the STEM Database—

(I) a recommendation that students and families should carefully review all of the application requirements prior to applying for any aid or program of student financial assistance; and

(II) a disclaimer that the non-Federal programs of student financial assistance presented in the STEM Database are not provided or endorsed by the Department or the Federal Government.

(C) COMPILATION OF FINANCIAL ASSISTANCE INFORMATION.—In carrying out this paragraph, the Secretary shall—

(i) consult with public and private sources of scholarships, fellowships, and other programs of student financial assistance; and

(ii) make easily available a process for such entities to provide regular and updated information about the scholarships, fellowships, or other programs of student financial assistance.

(D) CONTRACT AUTHORIZED.—In carrying out the requirements of this paragraph, the Secretary is authorized to enter into a contract with a private entity with demonstrated expertise in creating and maintaining databases such as the one required under this paragraph, under which contract the entity shall furnish, and regularly update, all of the information required to be maintained on the STEM Database.

(5) DISSEMINATION OF INFORMATION.—The Secretary shall take such actions, on an ongoing basis, as may be necessary to disseminate information under this subsection and to encourage the use of the information by interested parties, including

sending notices to secondary schools and institutions of higher education.

(h) **NO USER FEES FOR DEPARTMENT FINANCIAL AID WEBSITES.**—No fee shall be charged to any individual to access—

(1) a database or website of the Department that provides information about higher education programs or student financial assistance, including the **College Navigator** *College Dashboard* website (or successor website) and the websites and databases described in this section and section 132; or

(2) information about higher education programs or student financial assistance available through a database or website of the Department.

SEC. 132. TRANSPARENCY IN COLLEGE TUITION FOR CONSUMERS.

(a) **DEFINITIONS.**—In this section:

[(1) COLLEGE NAVIGATOR WEBSITE.—The term “College Navigator website” means the College Navigator website operated by the Department and includes any successor website.]

(1) COLLEGE DASHBOARD WEBSITE.—*The term “College Dashboard website” means the College Dashboard website required under subsection (d).*

(2) COST OF ATTENDANCE.—The term “cost of attendance” means the average annual cost of tuition and fees, room and board, books, supplies, and transportation for an institution of higher education for a **first-time,** full-time undergraduate student enrolled in the institution.

(3) NET PRICE.—The term “net price” means the average yearly price actually charged to **first-time,** full-time undergraduate students receiving student aid at an institution of higher education after deducting such aid, which shall be determined by calculating the difference between—

(A) the institution’s cost of attendance for the year for which the determination is made; and

(B) the quotient of—

(i) the total amount of need-based grant aid and merit-based grant aid, from Federal, State, and institutional sources, provided to such students enrolled in the institution for such year; and

(ii) the total number of such students receiving such need-based grant aid or merit-based grant aid for such year.

(4) TUITION AND FEES.—The term “tuition and fees” means the average annual cost of tuition and fees for an institution of higher education for **first-time,** full-time undergraduate students enrolled in the institution.

(b) **CALCULATIONS FOR PUBLIC INSTITUTIONS.**—In making the calculations regarding cost of attendance, net price, and tuition and fees under this section with respect to a public institution of higher education, the Secretary shall calculate the cost of attendance, net price, and tuition and fees at such institution in the manner described in subsection (a), except that—

(1) the cost of attendance, net price, and tuition and fees shall be calculated for **first-time,** full-time undergraduate students enrolled in the institution who are residents of the State in which such institution is located; and

(2) in determining the net price, the average need-based grant aid and merit-based grant aid described in subsection (a)(3)(B) shall be calculated based on the average total amount of such aid received by **first-time,** full-time undergraduate students who are residents of the State in which such institution is located, divided by the total number of such resident students receiving such need-based grant aid or merit-based grant aid at such institution.

[(c) COLLEGE AFFORDABILITY AND TRANSPARENCY LISTS.—

[(1) AVAILABILITY OF LISTS.—Beginning July 1, 2011, the Secretary shall make publicly available on the College Navigator website, in a manner that is sortable and searchable by State, the following:

[(A) A list of the five percent of institutions in each category described in subsection (d) that have the highest tuition and fees for the most recent academic year for which data are available.

[(B) A list of the five percent of institutions in each such category that have the highest net price for the most recent academic year for which data are available.

[(C) A list of the five percent of institutions in each such category that have the largest increase, expressed as a percentage change, in tuition and fees over the most recent three academic years for which data are available, using the first academic year of the three-year period as the base year to compute such percentage change.

[(D) A list of the five percent of institutions in each such category that have the largest increase, expressed as a percentage change, in net price over the most recent three academic years for which data are available, using the first academic year of the three-year period as the base year to compute such percentage change.

[(E) A list of the ten percent of institutions in each such category that have the lowest tuition and fees for the most recent academic year for which data are available.

[(F) A list of the ten percent of institutions in each such category that have the lowest net price for the most recent academic year for which data are available.

[(2) ANNUAL UPDATES.—The Secretary shall annually update the lists described in paragraph (1) on the College Navigator website.

[(d) CATEGORIES OF INSTITUTIONS.—The lists described in subsection (c)(1) shall be compiled according to the following categories of institutions that participate in programs under title IV:

[(1) Four-year public institutions of higher education.

[(2) Four-year private, nonprofit institutions of higher education.

[(3) Four-year private, for-profit institutions of higher education.

[(4) Two-year public institutions of higher education.

[(5) Two-year private, nonprofit institutions of higher education.

[(6) Two-year private, for-profit institutions of higher education.

[(7) Less than two-year public institutions of higher education.

[(8) Less than two-year private, nonprofit institutions of higher education.

[(9) Less than two-year private, for-profit institutions of higher education.

[(e) REPORTS BY INSTITUTIONS.—

[(1) REPORT TO SECRETARY.—If an institution of higher education is included on a list described in subparagraph (C) or (D) of subsection (c)(1), the institution shall submit to the Secretary a report containing the following information:

[(A) A description of the major areas in the institution's budget with the greatest cost increases.

[(B) An explanation of the cost increases described in subparagraph (A).

[(C) A description of the steps the institution will take toward the goal of reducing costs in the areas described in subparagraph (A).

[(D) In the case of an institution that is included on the same list under subparagraph (C) or (D) of subsection (c)(1) for two or more consecutive years, a description of the progress made on the steps described in subparagraph (C) of this paragraph that were included in the institution's report for the previous year.

[(E) If the determination of any cost increase described in subparagraph (A) is not within the exclusive control of the institution—

[(i) an explanation of the extent to which the institution participates in determining such cost increase;

[(ii) the identification of the agency or instrumentality of State government responsible for determining such cost increase; and

[(iii) any other information the institution considers relevant to the report.

[(2) INFORMATION TO THE PUBLIC.—The Secretary shall—

[(A) issue an annual report that summarizes all of the reports by institutions required under paragraph (1) to the authorizing committees; and

[(B) publish such report on the College Navigator website.

[(f) EXEMPTIONS.—

[(1) IN GENERAL.—An institution shall not be placed on a list described in subparagraph (C) or (D) of subsection (c)(1), and shall not be subject to the reporting required under subsection (e), if the dollar amount of the institution's increase in tuition and fees, or net price, as applicable, is less than \$600 for the three-year period described in such subparagraph.

[(2) UPDATE.—Beginning in 2014, and every three years thereafter, the Secretary shall update the dollar amount described in paragraph (1) based on annual increases in inflation, using the Consumer Price Index for each of the three most recent preceding years.

[(g) STATE HIGHER EDUCATION SPENDING CHART.—The Secretary shall annually report on the College Navigator website, in charts for each State, comparisons of—

[(1) the percentage change in spending by such State per full-time equivalent student at all public institutions of higher education in such State, for each of the five most recent preceding academic years;

[(2) the percentage change in tuition and fees for such students for all public institutions of higher education in such State for each of the five most recent preceding academic years; and

[(3) the percentage change in the total amount of need-based aid and merit-based aid provided by such State to full-time students enrolled in the public institutions of higher education in the State for each of the five most recent preceding academic years.]

[(h)] (c) NET PRICE CALCULATOR.—

(1) DEVELOPMENT OF NET PRICE CALCULATOR.—Not later than one year after the date of enactment of the Higher Education Opportunity Act, the Secretary shall, in consultation with institutions of higher education and other appropriate experts, develop a net price calculator to help current and prospective students, families, and other consumers estimate the individual net price of an institution of higher education for a student. The calculator shall be developed in a manner that enables current and prospective students, families, and consumers to determine an estimate of a current or prospective student's individual net price at a particular institution.

(2) CALCULATION OF INDIVIDUAL NET PRICE.—For purposes of this subsection, an individual net price of an institution of higher education shall be calculated in the same manner as the net price of such institution is calculated under subsection (a)(3), except that the cost of attendance and the amount of need-based and merit-based aid available shall be calculated for the individual student as much as practicable.

(3) USE OF NET PRICE CALCULATOR BY INSTITUTIONS.—Not later than two years after the date on which the Secretary makes the calculator developed under paragraph (1) available to institutions of higher education, each institution of higher education that receives Federal funds under title IV shall make publicly available on the institution's website a net price calculator to help current and prospective students, families, and other consumers estimate a student's individual net price at such institution of higher education. Such calculator may be a net price calculator developed—

(A) by the Department pursuant to paragraph (1); or

(B) by the institution of higher education, if the institution's calculator includes, at a minimum, the same data elements included in the calculator developed under paragraph (1).

(4) MINIMUM REQUIREMENTS FOR NET PRICE CALCULATORS.—*Not later than 1 year after the date of the enactment of the PROSPER Act, a net price calculator for an institution of higher education shall meet the following requirements:*

(A) *The link for the calculator shall—*

(i) be clearly labeled as a net price calculator and prominently, clearly, and conspicuously posted in locations on the website of such institution where informa-

tion on costs and aid is provided and any other location that the institution considers appropriate; and

(ii) match in size and font to the other prominent links on the webpage where the link for the calculator is displayed.

(B) The webpage displaying the results for the calculator shall specify at least the following information:

(i) The net price (as calculated under subsection (a)(3)) for such institution, which shall be the most visually prominent figure on the results screen.

(ii) Cost of attendance, including—

(I) tuition and fees;

(II) average annual cost of room and board for the institution for a full-time undergraduate student enrolled in the institution;

(III) average annual cost of books and supplies for a full-time undergraduate student enrolled in the institution; and

(IV) estimated cost of other expenses (including personal expenses and transportation) for a full-time undergraduate student enrolled in the institution.

(iii) Estimated total need-based grant aid and merit-based grant aid from Federal, State, and institutional sources that may be available to a full-time undergraduate student.

(iv) Percentage of the full-time undergraduate students enrolled in the institution that received any type of grant aid described in clause (iii).

(v) The disclaimer described in paragraph (6).

(vi) In the case of a calculator that—

(I) includes questions to estimate the eligibility of a student or prospective student for veterans' education benefits (as defined in section 480) or educational benefits for active duty service members, such benefits are displayed on the results screen in a manner that clearly distinguishes such benefits from the grant aid described in clause (iii); or

(II) does not include questions to estimate eligibility for the benefits described in subclause (I), the results screen indicates that certain students (or prospective students) may qualify for such benefits and includes a link to information about such benefits.

(C) The institution shall populate the calculator with data from an academic year that is not more than 2 academic years prior to the most recent academic year.

(5) PROHIBITION ON USE OF DATA COLLECTED BY THE NET PRICE CALCULATOR.—A net price calculator for an institution of higher education shall—

(A) clearly indicate which questions are required to be completed for an estimate of the net price from the calculator;

(B) in the case of a calculator that requests contact information from users, clearly mark such requests as optional and provide for an estimate of the net price from the calculator without requiring users to enter such information; and

(C) prohibit any personally identifiable information provided by users from being sold or made available to third parties.

[(4)] (6) **DISCLAIMER.**—Estimates of an individual net price determined using a net price calculator required under paragraph (3) shall be accompanied by a clear and conspicuous notice—

(A) stating that the estimate—

(i) does not represent a final determination, or actual award, of financial assistance;

(ii) shall not be binding on the Secretary, the institution of higher education, or the State; and

(iii) may change;

(B) stating that the student must complete the Free Application for Federal Student Aid described in section 483 in order to be eligible for, and receive, an actual financial aid award that includes Federal grant, loan, or work-study assistance under title IV; and

(C) including a link to the website of the Department that allows students to access the Free Application for Federal Student Aid described in section 483.

[(i)] **CONSUMER INFORMATION.**—

[(1)] **AVAILABILITY OF TITLE IV INSTITUTION INFORMATION.**—Not later than one year after the date of enactment of the Higher Education Opportunity Act, the Secretary shall make publicly available on the College Navigator website, in simple and understandable terms, the following information about each institution of higher education that participates in programs under title IV, for the most recent academic year for which satisfactory data are available:

[(A)] A statement of the institution's mission.

[(B)] The total number of undergraduate students who applied to, were admitted by, and enrolled in the institution.

[(C)] For institutions that require SAT or ACT scores to be submitted, the reading, writing, mathematics, and combined scores on the SAT or ACT, as applicable, for the middle 50 percent range of the institution's freshman class.

[(D)] The number of first-time, full-time, and part-time students enrolled at the institution, at the undergraduate and (if applicable) graduate levels.

[(E)] The number of degree- or certificate-seeking undergraduate students enrolled at the institution who have transferred from another institution.

[(F)] The percentages of male and female undergraduate students enrolled at the institution.

[(G)] Of the first-time, full-time, degree- or certificate-seeking undergraduate students enrolled at the institution—

[(i) the percentage of such students who are from the State in which the institution is located;

[(ii) the percentage of such students who are from other States; and

[(iii) the percentage of such students who are international students.

[(H) The percentages of first-time, full-time, degree- or certificate-seeking students enrolled at the institution, disaggregated by race and ethnic background.

[(I) The percentage of undergraduate students enrolled at the institution who are formally registered with the office of disability services of the institution (or the equivalent office) as students with disabilities, except that if such percentage is three percent or less, the institution shall report “three percent or less”.

[(J) The percentages of first-time, full-time, degree- or certificate-seeking undergraduate students enrolled at the institution who obtain a degree or certificate within—

[(i) the normal time for completion of, or graduation from, the student’s program;

[(ii) 150 percent of the normal time for completion of, or graduation from, the student’s program; and

[(iii) 200 percent of the normal time for completion of, or graduation from, the student’s program;

[(K) The number of certificates, associate degrees, baccalaureate degrees, master’s degrees, professional degrees, and doctoral degrees awarded by the institution.

[(L) The undergraduate major areas of study at the institution with the highest number of degrees awarded.

[(M) The student-faculty ratio, the number of full-time and part-time faculty, and the number of graduate assistants with primarily instructional responsibilities, at the institution.

[(N)(i) The cost of attendance for first-time, full-time undergraduate students enrolled in the institution who live on campus;

[(ii) the cost of attendance for first-time, full-time undergraduate students enrolled in the institution who live off campus; and

[(iii) in the case of a public institution of higher education and notwithstanding subsection (b)(1), the costs described in clauses (i) and (ii), for—

[(I) first-time, full-time students enrolled in the institution who are residents of the State in which the institution is located; and

[(II) first-time, full-time students enrolled in the institution who are not residents of such State.

[(O) The average annual grant amount (including Federal, State, and institutional aid) awarded to a first-time, full-time undergraduate student enrolled at the institution who receives financial aid.

[(P) The average annual amount of Federal student loans provided through the institution to undergraduate students enrolled at the institution.

[(Q) The total annual grant aid awarded to undergraduate students enrolled at the institution, from the Federal Government, a State, the institution, and other sources known by the institution.

[(R) The percentage of first-time, full-time undergraduate students enrolled at the institution receiving Federal, State, and institutional grants, student loans, and any other type of student financial assistance known by the institution, provided publicly or through the institution, such as Federal work-study funds.

[(S) The number of students enrolled at the institution receiving Federal Pell Grants.

[(T) The institution's cohort default rate, as defined under section 435(m).

[(U) The information on campus safety required to be collected under section 485(i).

[(V) A link to the institution's website that provides, in an easily accessible manner, the following information:

[(i) Student activities offered by the institution.

[(ii) Services offered by the institution for individuals with disabilities.

[(iii) Career and placement services offered by the institution to students during and after enrollment.

[(iv) Policies of the institution related to transfer of credit from other institutions.

[(W) A link to the appropriate section of the Bureau of Labor Statistics website that provides information on regional data on starting salaries in all major occupations.

[(X) Information required to be submitted under paragraph (4) and a link to the institution pricing summary page described in paragraph (5).

[(Y) In the case of an institution that was required to submit a report under subsection (e)(1), a link to such report.

[(Z) The availability of alternative tuition plans, which may include guaranteed tuition plans.

[(2) ANNUAL UPDATES.—The Secretary shall annually update the information described in paragraph (1) on the College Navigator website.

[(3) CONSULTATION.—The Secretary shall regularly consult with current and prospective college students, family members of such students, institutions of higher education, and other experts to improve the usefulness and relevance of the College Navigator website, with respect to the presentation of the consumer information collected in paragraph (1).

[(4) DATA COLLECTION.—The Commissioner for Education Statistics shall continue to update and improve the Integrated Postsecondary Education Data System (referred to in this section as "IPEDS"), including the reporting of information by institutions and the timeliness of the data collected.

[(5) INSTITUTION PRICING SUMMARY PAGE.—

[(A) AVAILABILITY OF LIST OF PARTICIPATING INSTITUTIONS.—The Secretary shall make publicly available on the College Navigator website in a sortable and searchable format a list of all institutions of higher education that par-

ticipate in programs under title IV, which list shall, for each institution, include the following:

[(i) The tuition and fees for each of the three most recent academic years for which data are available.

[(ii) The net price for each of the three most recent available academic years for which data are available.

[(iii)(I) During the period beginning July 1, 2010, and ending June 30, 2013, the net price for students receiving Federal student financial aid under title IV, disaggregated by the income categories described in paragraph (6), for the most recent academic year for which data are available.

[(II) Beginning July 1, 2013, the net price for students receiving Federal student financial aid under title IV, disaggregated by the income categories described in paragraph (6), for each of the three most recent academic years for which data are available.

[(iv) The average annual percentage change and average annual dollar change in such institution's tuition and fees for each of the three most recent academic years for which data are available.

[(v) The average annual percentage change and average annual dollar change in such institution's net price for each of the three most recent preceding academic years for which data are available.

[(vi) A link to the webpage on the College Navigator website that provides the information described in paragraph (1) for the institution.

[(B) ANNUAL UPDATES.—The Secretary shall annually update the lists described in subparagraph (A) on the College Navigator website.

[(6) INCOME CATEGORIES.—

[(A) IN GENERAL.—For purposes of reporting the information required under this subsection, the following income categories shall apply for students who receive Federal student financial aid under title IV:

[(i) \$0–30,000.

[(ii) \$30,001–48,000.

[(iii) \$48,001–75,000.

[(iv) \$75,001–110,000.

[(v) \$110,001 and more.

[(B) ADJUSTMENT.—The Secretary may adjust the income categories listed in subparagraph (A) using the Consumer Price Index if the Secretary determines such adjustment is necessary.]

(d) CONSUMER INFORMATION.—

(1) AVAILABILITY OF TITLE IV INSTITUTION INFORMATION.—*The Secretary shall develop and make publicly available a website to be known as the “College Dashboard website” in accordance with this section and prominently display on such website, in simple, understandable, and unbiased terms for the most recent academic year for which satisfactory data are available, the following information with respect to each institution of higher education that participates in a program under title IV:*

- (A) *A link to the website of the institution.*
- (B) *An identification of the type of institution as one of the following:*
 - (i) *A four-year public institution of higher education.*
 - (ii) *A four-year private, nonprofit institution of higher education.*
 - (iii) *A four-year private, proprietary institution of higher education.*
 - (iv) *A two-year public institution of higher education.*
 - (v) *A two-year private, nonprofit institution of higher education.*
 - (vi) *A two-year private, proprietary institution of higher education.*
 - (vii) *A less than two-year public institution of higher education.*
 - (viii) *A less than two-year private, nonprofit institution of higher education.*
 - (ix) *A less than two-year private, proprietary institution of higher education.*
- (C) *The number of students enrolled at the institution—*
 - (i) *as undergraduate students, if applicable; and*
 - (ii) *as graduate students, if applicable.*
- (D) *The student-faculty ratio.*
- (E) *The percentage of degree-seeking or certificate-seeking undergraduate students enrolled at the institution who obtain a degree or certificate within—*
 - (i) *100 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled;*
 - (ii) *150 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled;*
 - (iii) *200 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled; and*
 - (iv) *300 percent of the normal time for completion of, or graduation from, the program in which the student is enrolled, for institutions at which the highest degree offered is predominantly an associate's degree.*
- (F)(i) *The average net price per year for undergraduate students enrolled at the institution who received Federal student financial aid under title IV based on dependency status and an income category selected by the user of the College Dashboard website from a list containing the following income categories:*
 - (I) *\$0 to \$30,000.*
 - (II) *\$30,001 to \$48,000.*
 - (III) *\$48,001 to \$75,000.*
 - (IV) *\$75,001 to \$110,000.*
 - (V) *\$110,001 to \$150,000.*
 - (VI) *Over \$150,000.*
- (ii) *A link to the net price calculator for such institution.*
- (G) *The percentage of undergraduate and graduate students who obtained a certificate or degree from the institution who borrowed Federal student loans—*

(i) set forth separately for each educational program offered by the institution; and

(ii) made available in a format that allows a user of the College Dashboard website to view such percentage by selecting from a list of such educational programs.

(H) The average Federal student loan debt incurred by a student who obtained a certificate or degree in an educational program from the institution and who borrowed Federal student loans in the course of obtaining such certificate or degree—

(i) set forth separately for each educational program offered by the institution; and

(ii) made available in a format that allows a user of the College Dashboard website to view such student loan debt information by selecting from a list of such educational programs.

(I) The median earnings of students who obtained a certificate or degree in an educational program from the institution and who received Federal student financial aid under title IV in the course of obtaining such certificate or degree—

(i) in the fifth and tenth years following the year in which the students obtained such certificate or degree;

(ii) set forth separately by educational program; and

(iii) made available in a format that allows a user of the College Dashboard website to view such median earnings information by selecting from a list of such educational programs.

(J) A link to the webpage of the institution containing campus safety data with respect to such institution.

(2) ADDITIONAL INFORMATION.—The Secretary shall publish on websites that are linked to through the College Dashboard website, for the most recent academic year for which satisfactory data is available, the following information with respect to each institution of higher education that participates in a program under title IV:

(A) ENROLLMENT.—The following enrollment information:

(i) The percentages of male and female undergraduate students enrolled at the institution.

(ii) The percentages of undergraduate students enrolled at the institution—

(I) full-time; and

(II) less than full-time.

(iii) In the case of an institution other than an institution that provides all courses and programs through online education, of the undergraduate students enrolled at the institution—

(I) the percentage of such students who are residents of the State in which the institution is located;

(II) the percentage of such students who are not residents of such State; and

(III) the percentage of such students who are international students.

(iv) *The percentages of undergraduate students enrolled at the institution, disaggregated by—*

- (I) *race and ethnic background;*
- (II) *classification as a student with a disability;*
- (III) *recipients of a Federal Pell Grant;*
- (IV) *recipients of assistance under a tuition assistance program conducted by the Department of Defense under section 1784a or 2007 of title 10, United States Code, or other authorities available to the Department of Defense or veterans' education benefits (as defined in section 480); and*
- (V) *recipients of a Federal student loan.*

(B) *COMPLETION.—The information required under paragraph (1)(E), disaggregated by—*

- (i) *recipients of a Federal Pell Grant;*
- (ii) *race and ethnic background;*
- (iii) *classification as a student with a disability;*
- (iv) *recipients of assistance under a tuition assistance program conducted by the Department of Defense under section 1784a or 2007 of title 10, United States Code, or other authorities available to the Department of Defense or veterans' education benefits (as defined in section 480); and*
- (v) *recipients of a Federal student loan.*

(C) *COSTS.—The following cost information:*

(i) *The cost of attendance for full-time undergraduate students enrolled in the institution who live on campus.*

(ii) *The cost of attendance for full-time undergraduate students enrolled in the institution who live off campus.*

(iii) *The cost of tuition and fees for full-time undergraduate students enrolled in the institution.*

(iv) *The cost of tuition and fees per credit hour or credit hour equivalency for undergraduate students enrolled in the institution less than full time.*

(v) *In the case of a public institution of higher education (other than an institution described in clause (vi)) and notwithstanding subsection (b)(1), the costs described in clauses (i) and (ii) for—*

(I) *full-time students enrolled in the institution who are residents of the State in which the institution is located; and*

(II) *full-time students enrolled in the institution who are not residents of such State.*

(vi) *In the case of a public institution of higher education that offers different tuition rates for students who are residents of a geographic subdivision smaller than a State and students not located in such geographic subdivision and notwithstanding subsection (b)(1), the costs described in clauses (i) and (ii) for—*

(I) *full-time students enrolled at the institution who are residents of such geographic subdivision;*

(II) *full-time students enrolled at the institution who are residents of the State in which the institu-*

tion is located but not residents of such geographic subdivision; and

(III) full-time students enrolled at the institution who are not residents of such State.

(D) FINANCIAL AID.—The following information with respect to financial aid:

(i) The average annual grant amount (including Federal, State, and institutional aid) awarded to an undergraduate student enrolled at the institution who receives grant aid, and the percentage of undergraduate students receiving such aid.

(ii) The percentage of undergraduate students enrolled at the institution receiving Federal, State, and institutional grants, student loans, and any other type of student financial assistance known by the institution, provided publicly or through the institution, such as Federal work-study funds.

(iii) The loan repayment rate (as defined in section 481B) for each educational program at such institution.

(3) OTHER DATA MATTERS.—

(A) COMPLETION DATA.—The Commissioner of Education Statistics shall ensure that the information required under paragraph (1)(E) includes information with respect to all students at an institution, in a manner that accurately reflects the actual length of the program, including students other than first-time, full-time students and students who transfer to another institution, in a manner that the Commissioner considers appropriate.

(B) ADJUSTMENT OF INCOME CATEGORIES.—The Secretary may annually adjust the range of each of the income categories described in paragraph (1)(F) to account for a change in the Consumer Price Index for All Urban Consumers as determined by the Bureau of Labor Statistics if the Secretary determines an adjustment is necessary.

(4) INSTITUTIONAL COMPARISON.—The Secretary shall include on the College Dashboard website a method for users to easily compare the information required under paragraphs (1) and (2) between institutions.

(5) UPDATES.—

(A) DATA.—The Secretary shall update the College Dashboard website not less than annually.

(B) TECHNOLOGY AND FORMAT.—The Secretary shall regularly assess the format and technology of the College Dashboard website and make any changes or updates that the Secretary considers appropriate.

(6) CONSUMER TESTING.—

(A) IN GENERAL.—In developing and maintaining the College Dashboard website, the Secretary, in consultation with appropriate departments and agencies of the Federal Government, shall conduct consumer testing with appropriate persons, including current and prospective college students, family members of such students, institutions of higher education, and experts, to ensure that the College Dashboard website is usable and easily understandable

and provides useful and relevant information to students and families.

(B) *RECOMMENDATIONS FOR CHANGES.*—The Secretary shall submit to the authorizing committees any recommendations that the Secretary considers appropriate for changing the information required to be provided on the College Dashboard website under paragraphs (1) and (2) based on the results of the consumer testing conducted under subparagraph (A).

(7) *PROVISION OF APPROPRIATE LINKS TO PROSPECTIVE STUDENTS AFTER SUBMISSION OF FAFSA.*—The Secretary shall provide to each student who submits a Free Application for Federal Student Aid described in section 483 a link to the webpage of the College Dashboard website that contains the information required under paragraph (1) for each institution of higher education such student includes on such Application.

(8) *INTERAGENCY COORDINATION.*—The Secretary, in consultation with each appropriate head of a department or agency of the Federal Government, shall ensure to the greatest extent practicable that any information related to higher education that is published by such department or agency is consistent with the information published on the College Dashboard website.

(9) *DATA COLLECTION.*—The Commissioner for Education Statistics shall continue to update and improve the Integrated Postsecondary Education Data System, including by reducing institutional reporting burden and improving the timeliness of the data collected.

(10) *DATA PRIVACY.*—The Secretary shall ensure any information made available under this section is made available in accordance with section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”).

[(j) MULTI-YEAR TUITION CALCULATOR.—

[(1) DEVELOPMENT OF MULTI-YEAR TUITION CALCULATOR.—Not later than one year after the date of enactment of the Higher Education Opportunity Act, the Secretary shall, in consultation with institutions of higher education, financial planners, and other appropriate experts, develop a multi-year tuition calculator to help current and prospective students, families of such students, and other consumers estimate the amount of tuition an individual may pay to attend an institution of higher education in future years.

[(2) CALCULATION OF MULTI-YEAR TUITION.—The multi-year tuition calculator described in paragraph (1) shall—

[(A) allow an individual to select an institution of higher education for which the calculation shall be made;

[(B) calculate an estimate of tuition and fees for each year of the normal duration of the program of study at such institution by—

[(i) using the tuition and fees for such institution, as reported under subsection (i)(5)(A)(i), for the most recent academic year for which such data are reported; and

[(ii) determining an estimated annual percentage change for each year for which the calculation is made, based on the annual percentage change in such institution's tuition and fees, as reported under subsection (i)(5)(A)(iv), for the most recent three-year period for which such data are reported;

[(C) calculate an estimate of the total amount of tuition and fees to complete a program of study at such institution, based on the normal duration of such program, using the estimate calculated under subparagraph (B) for each year of the program of study;

[(D) provide the individual with the option to replace the estimated annual percentage change described in subparagraph (B)(ii) with an alternative annual percentage change specified by the individual, and calculate an estimate of tuition and fees for each year and an estimate of the total amount of tuition and fees using the alternative percentage change;

[(E) in the case of an institution that offers a multi-year tuition guarantee program, allow the individual to have the estimates of tuition and fees described in subparagraphs (B) and (C) calculated based on the provisions of such guarantee program for the tuition and fees charged to a student, or cohort of students, enrolled for the duration of the program of study; and

[(F) include any other features or information determined to be appropriate by the Secretary.

[(3) AVAILABILITY AND COMPARISON.—The multi-year tuition calculator described in paragraph (1) shall be available on the College Navigator website and shall allow current and prospective students, families of such students, and consumers to compare information and estimates under this subsection for multiple institutions of higher education.

[(4) DISCLAIMER.—Each calculation of estimated tuition and fees made using the multi-year tuition calculator described in paragraph (1) shall be accompanied by a clear and conspicuous notice—

[(A) stating that the calculation—

[(i) is only an estimate and not a guarantee of the actual amount the student may be charged;

[(ii) is not binding on the Secretary, the institution of higher education, or the State; and

[(iii) may change, subject to the availability of financial assistance, State appropriations, and other factors;

[(B) stating that the student must complete the Free Application for Federal Student Aid described in section 483 in order to be eligible for, and receive, an actual financial aid award that includes Federal grant, loan, or work-study assistance under title IV; and

[(C) including a link to the website of the Department that allows students to access the Free Application for Federal Student Aid described in section 483.]

[(k)] (e) STUDENT AID RECIPIENT SURVEY.—

(1) **SURVEY REQUIRED.**—The Secretary, acting through the Commissioner for Education Statistics, shall conduct, on a State-by-State basis, a survey of recipients of Federal student financial aid under title IV—

(A) to identify the population of students receiving such Federal student financial aid;

(B) to describe the income distribution and other socio-economic characteristics of recipients of such Federal student financial aid;

(C) to describe the combinations of aid from Federal, State, and private sources received by such recipients from all income categories;

(D) to describe the—

(i) debt burden of such loan recipients, and their capacity to repay their education debts; and

(ii) the impact of such debt burden on the recipients' course of study and post-graduation plans;

(E) to describe the impact of the cost of attendance of postsecondary education in the determination by students of what institution of higher education to attend; and

(F) to describe how the costs of textbooks and other instructional materials affect the costs of postsecondary education for students.

(2) **FREQUENCY.**—The survey shall be conducted on a regular cycle and not less often than once every four years.

(3) **SURVEY DESIGN.**—The survey shall be representative of students from all types of institutions, including full-time and part-time students, undergraduate, graduate, and professional students, and current and former students.

(4) **DISSEMINATION.**—The Commissioner for Education Statistics shall disseminate to the public, in printed and electronic form, the information resulting from the survey.

[(1) **REGULATIONS.**—The Secretary is authorized to issue such regulations as may be necessary to carry out this section.]

SEC. 133. TEXTBOOK INFORMATION.

(a) **PURPOSE AND INTENT.**—The purpose of this section is to ensure that students have access to affordable course materials by decreasing costs to students and enhancing transparency and disclosure with respect to the selection, purchase, sale, and use of course materials. It is the intent of this section to encourage all of the involved parties, including faculty, students, administrators, institutions of higher education, bookstores, distributors, and publishers, to work together to identify ways to decrease the cost of college textbooks and supplemental materials for students while supporting the academic freedom of faculty members to select high quality course materials for students.

(b) **DEFINITIONS.**—In this section:

(1) **BUNDLE.**—The term “bundle” means one or more college textbooks or other supplemental materials that may be packaged together to be sold as course materials for one price.

(2) **COLLEGE TEXTBOOK.**—The term “college textbook” means a textbook or a set of textbooks, used for, or in conjunction with, a course in postsecondary education at an institution of higher education.

(3) **COURSE SCHEDULE.**—The term “course schedule” means a listing of the courses or classes offered by an institution of higher education for an academic period, as defined by the institution.

(4) **CUSTOM TEXTBOOK.**—The term “custom textbook”—

(A) means a college textbook that is compiled by a publisher at the direction of a faculty member or other person or adopting entity in charge of selecting course materials at an institution of higher education; and

(B) may include, alone or in combination, items such as selections from original instructor materials, previously copyrighted publisher materials, copyrighted third-party works, and elements unique to a specific institution, such as commemorative editions.

(5) **INSTITUTION OF HIGHER EDUCATION.**—The term “institution of higher education” has the meaning given the term in [section 102] *section 101 or 102*.

(6) **INTEGRATED TEXTBOOK.**—The term “integrated textbook” means a college textbook that is—

(A) combined with materials developed by a third party and that, by third-party contractual agreement, may not be offered by publishers separately from the college textbook with which the materials are combined; or

(B) combined with other materials that are so interrelated with the content of the college textbook that the separation of the college textbook from the other materials would render the college textbook unusable for its intended purpose.

(7) **PUBLISHER.**—The term “publisher” means a publisher of college textbooks or supplemental materials involved in or affecting interstate commerce.

(8) **SUBSTANTIAL CONTENT.**—The term “substantial content” means parts of a college textbook such as new chapters, new material covering additional eras of time, new themes, or new subject matter.

(9) **SUPPLEMENTAL MATERIAL.**—The term “supplemental material” means educational material developed to accompany a college textbook that—

(A) may include printed materials, computer disks, website access, and electronically distributed materials; and

(B) is not being used as a component of an integrated textbook.

(c) **PUBLISHER REQUIREMENTS.**—

(1) **COLLEGE TEXTBOOK PRICING INFORMATION.**—When a publisher provides a faculty member or other person or adopting entity in charge of selecting course materials at an institution of higher education receiving Federal financial assistance with information regarding a college textbook or supplemental material, the publisher shall include, with any such information and in writing (which may include electronic communications), the following:

(A) The price at which the publisher would make the college textbook or supplemental material available to the bookstore on the campus of, or otherwise associated with,

such institution of higher education and, if available, the price at which the publisher makes the college textbook or supplemental material available to the public.

(B) The copyright dates of the three previous editions of such college textbook, if any.

(C) A description of the substantial content revisions made between the current edition of the college textbook or supplemental material and the previous edition, if any.

(D)(i) Whether the college textbook or supplemental material is available in any other format, including paperback and unbound; and

(ii) for each other format of the college textbook or supplemental material, the price at which the publisher would make the college textbook or supplemental material in the other format available to the bookstore on the campus of, or otherwise associated with, such institution of higher education and, if available, the price at which the publisher makes such other format of the college textbook or supplemental material available to the public.

(2) UNBUNDLING OF COLLEGE TEXTBOOKS FROM SUPPLEMENTAL MATERIALS.—A publisher that sells a college textbook and any supplemental material accompanying such college textbook as a single bundle shall also make available the college textbook and each supplemental material as separate and unbundled items, each separately priced.

(3) CUSTOM TEXTBOOKS.—To the maximum extent practicable, a publisher shall provide the information required under this subsection with respect to the development and provision of custom textbooks.

(d) PROVISION OF ISBN COLLEGE TEXTBOOK INFORMATION IN COURSE SCHEDULES.—To the maximum extent practicable, each institution of higher education receiving Federal financial assistance shall—

(1) disclose, on the institution's Internet course schedule and in a manner of the institution's choosing, the International Standard Book Number and retail price information of required and recommended college textbooks and supplemental materials for each course listed in the institution's course schedule used for preregistration and registration purposes, except that—

(A) if the International Standard Book Number is not available for such college textbook or supplemental material, then the institution shall include in the Internet course schedule the author, title, publisher, and copyright date for such college textbook or supplemental material; and

(B) if the institution determines that the disclosure of the information described in this subsection is not practicable for a college textbook or supplemental material, then the institution shall so indicate by placing the designation "To Be Determined" in lieu of the information required under this subsection; and

(2) if applicable, include on the institution's written course schedule a notice that textbook information is available on the

institution's Internet course schedule, and the Internet address for such schedule.

(e) AVAILABILITY OF INFORMATION FOR COLLEGE BOOKSTORES.—An institution of higher education receiving Federal financial assistance shall make available to a college bookstore that is operated by, or in a contractual relationship or otherwise affiliated with, the institution, as soon as is practicable upon the request of such college bookstore, the most accurate information available regarding—

(1) the institution's course schedule for the subsequent academic period; and

(2) for each course or class offered by the institution for the subsequent academic period—

(A) the information required by subsection (d)(1) for each college textbook or supplemental material required or recommended for such course or class;

(B) the number of students enrolled in such course or class; and

(C) the maximum student enrollment for such course or class.

(f) ADDITIONAL INFORMATION.—An institution disclosing the information required by subsection (d)(1) is encouraged to disseminate to students information regarding—

(1) available institutional programs for renting textbooks or for purchasing used textbooks;

(2) available institutional guaranteed textbook buy-back programs;

(3) available institutional alternative content delivery programs; or

(4) other available institutional cost-saving strategies.

(g) GAO REPORT.—Not later than July 1, 2013, the Comptroller General of the United States shall report to the authorizing committees on the implementation of this section by institutions of higher education, college bookstores, and publishers. The report shall particularly examine—

(1) the availability of college textbook information on course schedules;

(2) the provision of pricing information to faculty of institutions of higher education by publishers;

(3) the use of bundled and unbundled material in the college textbook marketplace, including the adoption of unbundled materials by faculty and the use of integrated textbooks by publishers; and

(4) the implementation of this section by institutions of higher education, including the costs and benefits to such institutions and to students.

(h) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to supercede the institutional autonomy or academic freedom of instructors involved in the selection of college textbooks, supplemental materials, and other classroom materials.

(i) NO REGULATORY AUTHORITY.—The Secretary shall not promulgate regulations with respect to this section.

* * * * *

SEC. 138. REVIEW OF CURRENT DATA COLLECTION AND FEASIBILITY STUDY OF IMPROVED DATA COLLECTION.

(a) *IN GENERAL.*—Not later than 2 years after the date of the enactment of the PROSPER Act, the Secretary shall, in order to help improve the information available to students and families and to eliminate significant and burdensome data collection requirements placed on institutions under this Act—

(1) complete a review of all data reporting requirements on institutions under this Act;

(2) determine which requirements are duplicative or no longer necessary to provide meaningful information for compliance, accountability, or transparency in decision making; and

(3) examine the best way to collect data that includes all students from institutions that will—

(A) eliminate or reduce the burden and duplication of data reporting; and

(B) capture the data necessary to ensure compliance, accountability, and transparency in decision making which shall include, at a minimum—

(i) enrollment;

(ii) retention;

(iii) transfer;

(iv) completion; and

(v) post-collegiate earnings; and

(4) implement the changes necessary to improve the data reporting process for institutions, and submit a report to the authorizing committees on any legislative changes necessary to make such improvements.

(b) *CONSULTATION.*—In conducting the review under subsection (a)(1), the Secretary shall consult with—

(1) all applicable offices within the Department to ensure the review captures all data reporting requirements under this Act; and

(2) relevant stakeholders, including students, parents, institutions of higher education, and privacy experts.

(c) *DATA COLLECTION AND REPORTING.*—In examining the best way to collect data under subsection (a)(3), the Secretary shall explore the feasibility of working with the National Student Clearinghouse to establish a third-party method to collect and produce institution and program-level analysis of the data determined necessary to report, and how such data reported to the clearinghouse could be secured, while considering the following:

(1) Whether data reported to the clearinghouse can accurately reflect institutional and program-level enrollment, retention, transfer, and completion rates.

(2) How much duplication of reporting can be eliminated and if such reporting can replace the reporting to the Integrated Postsecondary Education Data System (IPEDS), including whether the data quality will be maintained or improved from the current data provided to the Department through IPEDS.

(3) Whether such reporting to the clearinghouse can protect the confidentiality of the reported data, while providing more accurate institutional performance measures.

(4) *Whether such reporting can be made compatible with systems that include post-graduation outcomes including employment and earnings data.*

(5) *Whether the use of the clearinghouse for such data reporting will change the current interaction between institutions and the clearinghouse.*

(6) *Whether the clearinghouse can meet the requirements of such reporting without transferring any disaggregated data that would be personally identifiable to the Department of Education.*

(7) *Whether the clearinghouse can ensure the Department of Education would never have access to any health data, student discipline records or data, elementary and secondary education data, or information relating to citizenship or national origin status, course grades, individual postsecondary entrance examination results, political affiliation, or religion, as a result of producing information for program level analysis of the data received from institutions of higher education.*

(8) *Whether the clearinghouse can provide the analysis under this subsection without maintaining or transferring, publishing, or submitting any data containing the information described in paragraph (7) to any entity, including any Federal or State agency.*

(d) *INTERIM REPORT.*—Not later than 1 year after the date of the enactment of the PROSPER Act, the Secretary shall submit to the authorizing committees a report on the Secretary's progress in carrying out this section.

(e) *RULE OF CONSTRUCTION.*—Nothing in this section shall be construed to authorize the development of a nationwide database of personally identifiable information on individuals involved in studies or other collections of data under this Act.

PART D—ADMINISTRATIVE PROVISIONS FOR DELIVERY OF STUDENT FINANCIAL ASSISTANCE

SEC. 141. PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF FEDERAL STUDENT FINANCIAL ASSISTANCE.

(a) **ESTABLISHMENT AND PURPOSE.**—

(1) **ESTABLISHMENT.**—There is established in the Department a Performance-Based Organization (hereafter referred to as the “PBO”) which shall be a discrete management unit responsible for managing the administrative and oversight functions supporting the programs authorized under title IV of this Act, as specified in subsection (b).

(2) **PURPOSES.**—The purposes of the PBO are—

(A) to improve service to students and other participants in the student financial assistance programs authorized under title IV, including making those programs more understandable to students and their parents;

(B) to reduce the costs of administering those programs;

(C) to increase the accountability of the officials responsible for administering the operational aspects of these programs;

(D) to provide greater flexibility in the management and administration of the Federal student financial assistance programs;

(E) to integrate the information systems supporting the Federal student financial assistance programs;

(F) to maximize transparency in the operation of Federal student financial assistance programs;

(G) to maximize stakeholder engagement in the operation of and accountability for such programs;

[(F)] (H) to implement an open, common, integrated system for the delivery of student financial assistance under title IV; and

[(G)] (I) to develop and maintain a student financial assistance system that contains complete, accurate, and timely data to ensure program integrity.

(b) GENERAL AUTHORITY.—

(1) AUTHORITY OF SECRETARY.—Notwithstanding any other provision of this part, the Secretary shall maintain responsibility for the development and promulgation of policy and regulations relating to the programs of student financial assistance under title IV. In the exercise of its functions, the PBO shall be subject to the direction of the Secretary. The Secretary shall—

(A) request the advice of, and work in cooperation with, the Chief Operating Officer in developing regulations, policies, administrative guidance, or procedures affecting the Federal student financial assistance programs authorized under title IV;

(B) request cost estimates from the Chief Operating Officer for system changes required by specific policies proposed by the Secretary; and

(C) assist the Chief Operating Officer in identifying goals for—

(i) the administration of the systems used to administer the Federal student financial assistance programs authorized under title IV; [and]

(ii) the updating of such systems to current technology[.]; and

(iii) acquiring senior managers and other personnel with demonstrated management ability and expertise in consumer lending.

(2) PBO FUNCTIONS.—Subject to paragraph (1), the PBO shall be responsible for the administration of Federal student financial assistance programs authorized under title IV, excluding the development of policy relating to such programs but including the following:

(A) The administrative, accounting, and financial management functions for the Federal student financial assistance programs authorized under title IV, including—

(i) the collection, processing, and transmission of data to students, institutions, lenders, State agencies, and other authorized parties;

(ii) the design and technical specifications for software development and procurement for systems sup-

porting the Federal student financial assistance programs authorized under title IV;

(iii) all software and hardware acquisitions and all information technology contracts related to the administration and management of student financial assistance under title IV;

(iv) all aspects of contracting for the information and financial systems supporting the Federal student financial assistance programs authorized under title IV;

(v) providing all customer service, training, and user support related to the administration of the Federal student financial assistance programs authorized under title IV; and

(vi) ensuring the integrity of the Federal student financial assistance programs authorized under title IV.

(B) Annual development of a budget for the activities and functions of the PBO, in consultation with the Secretary, and for consideration and inclusion in the Department's annual budget submission.

(C) Collecting input from stakeholders on the operation of all Federal student assistance programs and accountability practices relating to such programs, and ensuring that such input informs operation of the PBO and is provided to the Secretary to inform policy creation related to Federal student financial assistance programs.

(3) ADDITIONAL FUNCTIONS.—The Secretary may allocate to the PBO such additional functions as the Secretary and the Chief Operating Officer determine are necessary or appropriate to achieve the purposes of the PBO.

(4) INDEPENDENCE.—Subject to paragraph (1), in carrying out its functions, the PBO shall exercise independent control of its budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions.

(5) AUDITS AND REVIEW.—The PBO shall be subject to the usual and customary Federal audit procedures and to review by the Inspector General of the Department.

(6) CHANGES.—

(A) IN GENERAL.—**【The Secretary】** *Not less frequently than once annually, the Secretary and the Chief Operating Officer shall consult concerning the effects of policy, market, or other changes on the ability of the PBO to achieve the goals and objectives established in the performance plan described in subsection (c).*

(B) REPORT.—*On an annual basis, after carrying out the consultation required under subparagraph (A), the Secretary and the Chief Operating Officer shall jointly submit to the authorizing committees a report that includes—*

(i) a summary of the consultation; and

(ii) a description of any actions taken as a result of the consultation.

【(B)】 (C) REVISIONS TO AGREEMENT.—The Secretary and the Chief Operating Officer may revise the annual performance agreement described in subsection (d)(4) in light of policy, market, or other changes that occur after the

Secretary and the Chief Operating Officer enter into the agreement.

(c) PERFORMANCE PLAN, REPORT, AND BRIEFING.—

(1) PERFORMANCE PLAN.—

(A) IN GENERAL.—**[Each year,]** *Not less frequently than once every three years*, the Secretary and Chief Operating Officer shall agree on, and make available to the public, a performance plan for the PBO for the **[succeeding 5]** *succeeding 3 years* that establishes measurable goals and objectives for the organization.

[(B) CONSULTATION.—In developing the 5-year performance plan and any revision to the plan, the Secretary and the Chief Operating Officer shall consult with students, institutions of higher education, Congress, lenders, the Advisory Committee on Student Financial Assistance, and other interested parties not less than 30 days prior to the implementation of the performance plan or revision.**]**

(B) CONSULTATION.—

(i) PLAN DEVELOPMENT.—Beginning not later than 12 months before issuing each 3-year performance plan under subparagraph (A), the Secretary and the Chief Operating Officer shall consult with students, institutions of higher education, Congress, lenders, and other interested parties regarding the development of the plan. In carrying out such consultation, the Secretary shall seek public comment consistent with the requirements of subchapter II of chapter 5 of title 5, United States Code (commonly known as the “Administrative Procedure Act”).

(ii) REVISION.—Not later than 90 days before implementing any revision to the performance plan described in subparagraph (A), the Secretary shall consult with students, institutions of higher education, Congress, lenders, and other interested parties regarding such revision.

(C) AREAS.—The plan shall include a concise statement of the goals for a modernized system for the delivery of student financial assistance under title IV and identify action steps necessary to achieve such goals *and target dates upon which such action steps will be taken and such goals will be achieved*. The plan shall address the PBO’s responsibilities in the following areas:

(i) IMPROVING SERVICE.—Improving service to students and other participants in student financial aid programs authorized under under title IV, including making those programs more understandable to students and their parents.

(ii) REDUCING COSTS.—Reducing the costs of administering those programs.

(iii) IMPROVEMENT AND INTEGRATION OF SUPPORT SYSTEMS.—Improving and integrating the systems that support those programs.

(iv) DELIVERY AND INFORMATION SYSTEM.—Developing open, common, and integrated systems for programs authorized under under title IV.

(v) *ENSURING TRANSPARENCY.*—*Maximizing the transparency in the operations of the PBO, including complying with the data reporting requirements under section 144.*

[(v)] (vi) *OTHER AREAS.*—Any other areas identified by the Secretary.

(2) *ANNUAL REPORT.*—Each year, the Chief Operating Officer shall prepare and submit to Congress, through the Secretary, an annual report on the performance of the PBO, including an evaluation of the extent to which the PBO met the goals and objectives contained in the [5-year] 3-year performance plan described in paragraph (1) for the preceding year. The annual report shall include the following:

(A) An independent financial audit of the expenditures of both the PBO and the programs administered by the PBO.

(B) Financial and performance requirements applicable to the PBO under the Chief Financial Officers Act of 1990 and the Government Performance and Results Act of 1993.

(C) The results achieved by the PBO during the year relative to the goals established in the organization's performance plan, *including an explanation of the specific steps the Secretary and the Chief Operating Officer will take to address any such goals that were not achieved.*

(D) The evaluation rating of the performance of the Chief Operating Officer and senior managers under subsections (d)(4) and (e)(2), including the amounts of bonus compensation awarded to these individuals, *in the aggregate and per individual.*

(E) [Recommendations] *Specific recommendations for legislative and regulatory changes to improve service to students and their families, and to improve program efficiency and integrity.*

(F) *A description of the performance evaluation system developed under subsection (d)(6).*

[(F)] (G) Other such information as the Director of the Office of Management and Budget shall prescribe for performance based organizations.

(3) *CONSULTATION WITH STAKEHOLDERS.*—The Chief Operating Officer, in preparing the report described in paragraph (2), shall [establish appropriate means to] consult with students, borrowers, institutions, lenders, guaranty agencies, secondary markets, and others involved in the delivery system of student aid under title IV—

(A) regarding the degree of satisfaction with the delivery system [; and] *and the PBO;*

(B) to seek suggestions on means to improve the delivery system [.] *and the PBO; and*

(C) *through a nationally-representative survey, that at a minimum shall evaluate the degree of satisfaction with the delivery system and the PBO.*

(4) *BRIEFING ON ENFORCEMENT OF STUDENT LOAN PROVISIONS.*—The Secretary shall, upon request, provide a briefing to the members of the authorizing committees on the steps the Department has taken to ensure—

(A) the integrity of the student loan programs; and

(B) that lenders and guaranty agencies are adhering to the requirements of title IV.

(d) CHIEF OPERATING OFFICER.—

(1) APPOINTMENT.—The management of the PBO shall be vested in a Chief Operating Officer who shall be appointed by the Secretary to a term of not less than 3 and not more than 5 years, and compensated without regard to chapters 33, 51, and 53 of title 5, United States Code. The appointment shall be made on the basis of demonstrated management ability and expertise in information technology, including experience with financial systems, and without regard to political affiliation or activity.

(2) REAPPOINTMENT.—**【The Secretary may reappoint】** *Except as provided in paragraph (4)(C), the Chief Operating Officer to subsequent terms of not less than 3 and not more than 5 years, so long as the performance of the Chief Operating Officer, as set forth in the performance agreement described in paragraph (4), is satisfactory.*

(3) REMOVAL.—The Chief Operating Officer may be removed by—

(A) the President; or

(B) the Secretary, for misconduct or failure to meet performance goals set forth in the performance agreement in paragraph (4).

The President or Secretary shall communicate the reasons for any such removal to the authorizing committees.

(4) PERFORMANCE AGREEMENT.—

(A) IN GENERAL.—Each year, the Secretary and the Chief Operating Officer shall enter into an annual performance agreement, that shall set forth *specific, measurable organization and individual goals for the Chief Operating Officer and metrics used to measure progress toward such goals.*

【(B) TRANSMITTAL.—The final agreement, and any revision to the final agreement, shall be transmitted to the authorizing committees, and made publicly available.】

(B) TRANSMITTAL AND PUBLIC AVAILABILITY.—The Secretary shall—

(i) transmit to the authorizing committees the final version of, and any subsequent revisions to, the agreement entered into under subparagraph (A); and

(ii) before the expiration of the period of 5 business days beginning after the date on which the agreement is transmitted under clause (i), make such agreement publicly available on a publicly accessible website of the Department of Education.

(C) LOSS OF ELIGIBILITY.—If the agreement under subparagraph (A) is not made publicly available before the expiration of the period described in subparagraph (B)(ii), the Chief Operating Officer shall not be eligible for reappointment under paragraph (2).

(5) COMPENSATION.—

(A) IN GENERAL.—The Chief Operating Officer is authorized to be paid at an annual rate of basic pay not to exceed the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code,

including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(B) of such title. The compensation of the Chief Operating Officer shall be considered for purposes of section 207(c)(2)(A) of title 18, United States Code, to be the equivalent of that described under clause (ii) of section 207(c)(2)(A) of such title.

[(B) BONUS.—In addition, the Chief Operating Officer may receive a bonus in an amount that does not exceed 50 percent of such annual rate of basic pay, based upon the Secretary's evaluation of the Chief Operating Officer's performance in relation to the goals set forth in the performance agreement described in paragraph (4).**]**

(B) BONUS.—In addition, the Chief Operating Officer may receive a bonus in the following amounts:

(i) For a period covered by a performance agreement entered into under paragraph (4) before the date of the enactment of the PROSPER Act, an amount that does not exceed 50 percent of the annual rate basic pay of the Chief Operating Officer, based upon the Secretary's evaluation of the Chief Operating Officer's performance in relation to the goals set forth in the performance agreement.

(ii) For a period covered by a performance agreement entered into under paragraph (4) on or after the date of the enactment of the PROSPER Act, an amount that does not exceed 40 percent of the annual rate basic pay of the Chief Operating Officer, based upon the Secretary's evaluation of the Chief Operating Officer's performance in relation to the goals set forth in the performance agreement.

(C) PAYMENT.—Payment of a bonus under subparagraph (B) may be made to the Chief Operating Officer only to the extent that such payment does not cause the Chief Operating Officer's total aggregate compensation in a calendar year to equal or exceed the amount of the President's salary under section 102 of title 3, United States Code.

(6) PERFORMANCE EVALUATION SYSTEM.—*The Secretary shall develop a system to evaluate the performance of the Chief Operating Officer and any senior managers appointed by such Officer under subsection (e). Such system shall—*

(A) take into account the extent to which each individual attains the specific, measurable organizational and individual goals set forth in the performance agreement described in paragraph (4)(A) and subsection (e)(2) (as the case may be); and

(B) evaluate each individual using a rating system that accounts for the full spectrum of performance levels, from the failure of an individual to meet the goals described in clause (i) to an individual's success in meeting or exceeding such goals.

(e) SENIOR MANAGEMENT.—

(1) APPOINTMENT.—

(A) IN GENERAL.—The Chief Operating Officer may appoint such senior managers as that officer determines nec-

essary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(B) COMPENSATION.—The senior managers described in subparagraph (A) may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(2) PERFORMANCE AGREEMENT.—Each year, the Chief Operating Officer and each senior manager appointed under this subsection shall enter into an annual performance agreement that sets forth measurable **【organization and individual goals】** *specific, measurable organization and individual goals and the metrics used to measure progress toward such goals*. The agreement shall be subject to review and renegotiation at the end of each term.

(3) COMPENSATION.—

(A) IN GENERAL.—A senior manager appointed under this subsection may be paid at an annual rate of basic pay of not more than the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of such title. The compensation of a senior manager shall be considered for purposes of section 207(c)(2)(A) of title 18, United States Code, to be the equivalent of that described under clause (ii) of section 207(c)(2)(A) of such title.

【(B) BONUS.—In addition, a senior manager may receive a bonus in an amount such that the manager’s total annual compensation does not exceed 125 percent of the maximum rate of basic pay for the Senior Executive Service, including any applicable locality-based comparability payment, based upon the Chief Operating Officer’s evaluation of the manager’s performance in relation to the goals set forth in the performance agreement described in paragraph (2).】

(B) BONUS.—In addition, a senior manager may receive a bonus in the following amounts:

(i) For a period covered by a performance agreement entered into under paragraph (2) before the date of the enactment of the PROSPER Act, an amount such that the manager’s total annual compensation does not exceed 125 percent of the maximum rate of basic pay for the Senior Executive Service, including any applicable locality-based comparability payment, based upon the Chief Operating Officer’s evaluation of the manager’s performance in relation to the goals set forth in the performance agreement.

(ii) For a period covered by a performance agreement entered into under paragraph (2) on or after the date of the enactment of the PROSPER Act, an amount such that the manager’s total annual compensation does not exceed 120 percent of the maximum rate of basic pay for the Senior Executive Service, including any applica-

ble locality-based comparability payment, based upon the Chief Operating Officer's evaluation of the manager's performance in relation to the goals set forth in the performance agreement.

(4) REMOVAL.—A senior manager shall be removable by the Chief Operating Officer, or by the Secretary if the position of Chief Operating Officer is vacant.

(f) ADVISORY BOARD.—

(1) ESTABLISHMENT AND PURPOSE.—Not later than one year after the date of the enactment of the PROSPER Act, the Secretary shall establish an Advisory Board (referred to in this subsection as the "Board") for the PBO. The purpose of such Board shall be to conduct oversight over the PBO and the Chief Operating Officer and senior managers described under subsection (e) to ensure that the PBO is meeting the purposes described in this section and the goals in the performance plan described under such section.

(2) MEMBERSHIP.—

(A) BOARD MEMBERS.—The Board shall consist of 7 members, one of whom shall be the Secretary.

(B) CHAIRMAN.—A Chairman of the Board shall be elected by the Board from among its members for a 2-year term.

(C) SECRETARY AS AN EX OFFICIO MEMBER.—The Secretary, *ex officio*—

(i) shall—

(I) serve as a member of the Board;

(II) be a voting member of the Board; and

(III) be eligible to be elected by the Board to serve as chairman or vice chairman of the Board; and

(ii) shall not be subject to the terms or compensation requirements described in this paragraph that are applicable to the other members of the Board.

(D) ADDITIONAL BOARD MEMBERS.—Each member of the Board (excluding the Secretary) shall be appointed by the Secretary.

(E) TERMS.—

(i) IN GENERAL.—Each Board member, except for the Secretary and the Board members described in clause (ii)(II), shall serve 5-year terms.

(ii) INITIAL MEMBERS.—

(I) FIRST 3 MEMBERS.—The first 3 members confirmed to serve on the Board after the date of enactment of the PROSPER Act shall serve for 5-year terms.

(II) OTHER MEMBERS.—The fourth, fifth, and sixth members confirmed to serve on the Board after such date of enactment shall serve for 3-year terms.

(iii) REAPPOINTMENT.—The Secretary may reappoint a Board member for one additional 5-year term.

(iv) VACANCIES.—

(I) IN GENERAL.—Not later than 30 days after a vacancy of the Board occurs, the Secretary shall

publish a Federal Register notice soliciting nominations for the position.

(II) *FILLING VACANCY.—Not later than 90 days after such vacancy occurs, such vacancy shall be filled in the same manner as the original appointment was made, except that—*

(aa) the appointment shall be for the remainder of the uncompleted term; and

(bb) such member may be reappointed under clause (iii).

(F) *MEMBERSHIP QUALIFICATIONS AND PROHIBITIONS.—*

(i) QUALIFICATIONS.—The members of the board, other than the Secretary, shall be appointed without regard to political affiliation and solely on the basis of their professional experience and expertise in—

(I) the management of large and financially significant organizations, including banks and commercial lending companies; or

(II) Federal student financial assistance programs.

(ii) CONFLICTS OF INTEREST AMONG BOARD MEMBERS.—Before appointing members of the Board, the Secretary shall establish rules and procedures to address any potential conflict of interest between a member of the Board and responsibilities of the Board, including prohibiting membership for individuals with a pecuniary interest in the activities of the PBO.

(G) NO COMPENSATION.—Board members shall serve without pay.

(H) EXPENSES OF BOARD MEMBERS.—Each member of the Board shall receive travel expenses and other permissible expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under title 5, United States Code.

(3) *BOARD RESPONSIBILITIES.—The Board shall have the following responsibilities:*

(A) Conducting general oversight over the functioning and operation of the PBO, including—

(i) ensuring that the reporting and planning requirements of this section are fulfilled by the PBO; and

(ii) ensuring that the Chief Operating Officer acquires senior managers with demonstrated management ability and expertise in consumer lending (as described in subsection (b)(1)(C)(iii)).

(B) Approving the appointment or reappointment of a Chief Operating Officer, except that the board shall have no authority to approve or disapprove the reappointment of the Chief Operating Officer who holds such position on the date of enactment of the PROSPER Act.

(C) Making recommendations with respect to the suitability of any bonuses proposed to be provided to the Chief Operating Officer or senior managers described under subsections (d) and (e), to ensure that a bonus is not awarded to the Officer or a senior manager in a case in which such Officer or manager has failed to meet goals set for them

under the relevant performance plan under subsections (d)(4) and (e)(2), respectively.

(D) Approving any performance plan established for the PBO.

(4) BOARD OPERATIONS.—

(A) MEETINGS.—The Board shall meet at least twice per year and at such other times as the chairperson determines appropriate.

(B) POWERS OF CHAIRPERSON.—Except as otherwise provided by a majority vote of the Board, the powers of the chairperson shall include—

- (i) establishing committees;
- (ii) setting meeting places and times;
- (iii) establishing meeting agendas; and
- (iv) developing rules for the conduct of business.

(C) QUORUM.—Four members of the Board shall constitute a quorum. A majority of members present and voting shall be required for the Board to take action.

(D) ADMINISTRATION.—The Federal Advisory Committee Act shall not apply with respect to the Board, other than sections 10, 11 and 12 of such Act.

(5) ANNUAL REPORT.—

(A) IN GENERAL.—Not less frequently than once annually, the Board shall submit to the authorizing committees a report on the results of the work conducted by the PBO.

(B) CONTENTS.—Each report under clause (i) shall include—

(i) a description of the oversight work of the Board and the results of such work;

(ii) a description of statutory requirements of this section and section 144 where the PBO is not in compliance;

(iii) recommendations on the appointment or reappointment of a Chief Operating Officer;

(iv) recommendations regarding bonus payments for the Chief Operating Officer and senior managers; and

(v) recommendations for the authorizing Committees and the Appropriations Committees on—

(I) any statutory changes needed that would enhance the ability of the PBO to meet the purposes of this section; and

(II) any recommendations for the Secretary or the Chief Operating Officer that will improve the operations of the PBO.

(vi) ISSUANCE AND PUBLIC RELEASE.—Each report under clause (i) shall be posted on the publicly accessible website of the Department of Education.

(vii) PBO RECOMMENDATIONS.—Not later than 180 days after the submission of each report under clause (i), the Chief Operating Officer shall respond to each recommendation individually, which shall include a description of such actions that the Officer is undertaking to address such recommendation.

(C) STAFF.—

(i) *IN GENERAL.*—The Secretary may appoint to the Board not more than 7 employees to assist in carrying out the duties of the Board under this section.

(ii) *TECHNICAL EMPLOYEES.*—Such appointments may include, for terms not to exceed 3 years and without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, not more than 3 technical employees who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall be paid in excess of the rate authorized for GS-18 of the General Schedule.

(iii) *DETAILEES.*—The Secretary may detail, on a reimbursable basis, any of the personnel of the Department for the purposes described in clause (i). Such employees shall serve without additional pay, allowances, or benefits.

(iv) *STATUTORY CONSTRUCTION.*—Nothing in this subparagraph shall be construed to provide for an increase in the total number of permanent full-time equivalent positions in the Department or any other department or agency of the Federal Government.

(6) *BRIEFING ON ACTIVITIES OF THE OVERSIGHT BOARD.*—The Secretary shall, upon request, provide a briefing to the authorizing committees on the steps the Board has taken to carry out its responsibilities under this subsection.

[(f)] (g) STUDENT LOAN OMBUDSMAN.—

(1) *APPOINTMENT.*—The Chief Operating Officer, in consultation with the Secretary, shall appoint a Student Loan Ombudsman to provide timely assistance to borrowers of loans made, insured, or guaranteed under title IV by performing the functions described in paragraph (3).

(2) *PUBLIC INFORMATION.*—The Chief Operating Officer shall disseminate information about the availability and functions of the Ombudsman to students, borrowers, and potential borrowers, as well as institutions of higher education, lenders, guaranty agencies, loan servicers, and other participants in those student loan programs.

(3) *FUNCTIONS OF OMBUDSMAN.*—The Ombudsman shall—

(A) in accordance with regulations of the Secretary, receive, review, and attempt to resolve informally complaints from borrowers of loans described in paragraph (1), including, as appropriate, attempts to resolve such complaints within the Department of Education and with institutions of higher education, lenders, guaranty agencies, loan servicers, and other participants in the loan programs described in paragraph (1); and

(B) compile and analyze data on borrower complaints and make appropriate recommendations.

(4) *REPORT.*—Each year, the Ombudsman shall submit a report to the Chief Operating Officer, for inclusion in the annual report under subsection (c)(2), that describes the activities, and evaluates the effectiveness of the Ombudsman during the preceding year.

[(g)] (h) PERSONNEL FLEXIBILITY.—

(1) PERSONNEL CEILINGS.—The PBO shall not be subject to any ceiling relating to the number or grade of employees.

(2) ADMINISTRATIVE FLEXIBILITY.—The Chief Operating Officer shall work with the Office of Personnel Management to develop and implement personnel flexibilities in staffing, classification, and pay that meet the needs of the PBO, subject to compliance with title 5, United States Code.

(3) EXCEPTED SERVICE.—The Chief Operating Officer may appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, technical and professional employees to administer the functions of the PBO. These employees may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

[(h)] (i) ESTABLISHMENT OF A FAIR AND EQUITABLE SYSTEM FOR MEASURING STAFF PERFORMANCE.—The PBO shall establish an annual performance management system, subject to compliance with title 5, United States Code and consistent with applicable provisions of law and regulations, which strengthens the effectiveness of the PBO by providing for establishing goals or objectives for individual, group, or organizational performance (or any combination thereof), consistent with the performance plan of the PBO and its performance planning procedures, including those established under the Government Performance and Results Act of 1993, and communicating such goals or objectives to employees.

[(i)] (j) AUTHORIZATION OF APPROPRIATIONS.—The Secretary shall allocate from funds made available under section 458 such funds as are appropriate to the functions assumed by the PBO. In addition, there are authorized to be appropriated such sums as may be necessary to carry out the purposes of this part.

* * * * *

SEC. 144. ADMINISTRATIVE DATA TRANSPARENCY.

(a) *IN GENERAL.*—To improve the transparency of the student aid delivery system, the Secretary and the Chief Operating Officer shall collect and publish information on the performance of student loan programs under title IV in accordance with this section.

(b) *DISCLOSURES.*—

(1) *IN GENERAL.*—The Secretary and the Chief Operating Officer shall publish on a publicly accessible website of the Department of Education the following aggregate statistics with respect to the performance of student loans under title IV:

(A) The number of borrowers who paid off the total outstanding balance of principal and interest on their loans before the end of the 10-year or consolidated loan repayment schedule.

(B) The number of loans under each type of deferment and forbearance.

(C) The average length of time a loan stays in default.

(D) The percentage of loans in default among borrowers who completed the program of study for which the loans were made.

(E) *The number of borrowers enrolled in an income-based repayment plan who make monthly payments of \$0 and the average student loan debt of such borrowers.*

(F) *The number of students whose loan balances are growing because such students are not paying the full amount of interest accruing on the loans.*

(G) *The number of borrowers entering income-based repayment plans to get out of default.*

(H) *The number of borrowers in income-based repayment plans who have outstanding student loans from graduate school, and the average balance of such loans.*

(I) *With respect to the public service loan forgiveness program under section 455(m)—*

(i) the number of applications submitted and processed;

(ii) the number of borrowers granted loan forgiveness;

(iii) the amount of loan debt forgiven; and

(iv) the number of borrowers granted loan forgiveness, and the amount of the loan debt forgiven, disaggregated by each category of employer that employs individuals in public service jobs (as defined in section 455(m)(3)(B), including—

(I) the Federal Government, or a State or local government;

(II) an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; and

(III) a non-profit organization not described in subclause (II).

(J) *Any other aggregate statistics the Secretary and the Chief Operating Officer determine to be necessary to adequately inform the public of the performance of the student loan programs under title IV.*

(2) *DISAGGREGATION.—The statistics described in clauses (i) through (iii) of paragraph (1)(I) shall be disaggregated—*

(A) by the number or amount for most recent quarter;

(B) by the total number or amount as of the date of publication;

(C) by repayment plan;

(D) by borrowers seeking loan forgiveness for loans made for an undergraduate course of study; and

(E) by borrowers seeking loan forgiveness for loans made for a graduate course of study.

(3) *QUARTERLY UPDATES.—The statistics published under paragraph (1) shall be updated not less frequently than once each fiscal quarter.*

(c) *INFORMATION COLLECTION.—*

(1) *IN GENERAL.—The Secretary and the Chief Operating Officer shall collect information on the performance of student loans under title IV over time, including—*

(A) measurement of the cash flow generated by such loans as determined by assessing monthly payments on the loans over time;

- (B) *the income level and employment status of borrowers during repayment;*
- (C) *the loan repayment history of borrowers prior to default;*
- (D) *the progress of borrowers in making monthly payments on loans after defaulting on the loans; and*
- (E) *such other information as the Secretary and the Chief Operating Officer determine to be appropriate.*

(2) *AVAILABILITY.—*

(A) *IN GENERAL.—The information collected under paragraph (1) shall be made available biannually to organizations and researchers that—*

(i) *submit to the Secretary and the Chief Operating officer a request for such information; and*

(ii) *enter into an agreement with the National Center for Education Statistics under which the organization or researcher (as the case may be) agrees to use the information in accordance with the privacy laws described in subparagraph (B).*

(B) *PRIVACY PROTECTIONS.—The privacy laws described in this subparagraph are the following:*

(i) *Section 183 of the Education Sciences Reform Act of 2002 (20 U.S.C. 9573).*

(ii) *The Privacy Act of 1974 (5 U.S.C. 552a).*

(iii) *Section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”) (20 U.S.C. 1232g).*

(iv) *Subtitle A of title V of the E–Government Act of 2002 (44 U.S.C. 3501 note).*

(C) *FORMAT.—The information described in subparagraph (A) shall be made available in the format of a data file that contains an statistically accurate, representative sample of all borrowers of loans under title IV.*

(d) *DATA SHARING.—The Secretary and the Chief Operating Officer may enter into cooperative data sharing agreements with other Federal or State agencies to ensure the accuracy of information collected and published under this section.*

(e) *PRIVACY.—The Secretary and the Chief Operating Officer shall ensure that any information collected, published, or otherwise made available under this section does not reveal personally identifiable information.*

PART E—LENDER AND INSTITUTION REQUIREMENTS RELATING TO EDUCATION LOANS

SEC. 151. DEFINITIONS.

In this part:

(1) **AGENT.**—The term “agent” means an officer or employee of a covered institution or an institution-affiliated organization.

(2) **COVERED INSTITUTION.**—The term “covered institution” means any institution of higher education, as such term is defined in [section 102] *section 101 or 102*, that receives any Federal funding or assistance.

(3) EDUCATION LOAN.—The term “education loan” (except when used as part of the term “private education loan”) means—

(A) any loan made, insured, or guaranteed under part B of title IV;

(B) any loan made under part D of title IV; **or**

(C) any loan made under part E of title IV after the date of enactment of the PROSPER Act; or

[(C)] (D) a private education loan.

(4) ELIGIBLE LENDER.—The term “eligible lender” has the meaning given such term in section 435(d).

(5) INSTITUTION-AFFILIATED ORGANIZATION.—The term “institution-affiliated organization”—

(A) means any organization that—

(i) is directly or indirectly related to a covered institution; and

(ii) is engaged in the practice of recommending, promoting, or endorsing education loans for students attending such covered institution or the families of such students;

(B) may include an alumni organization, athletic organization, foundation, or social, academic, or professional organization, of a covered institution; and

(C) notwithstanding subparagraphs (A) and (B), does not include any lender with respect to any education loan secured, made, or extended by such lender.

(6) LENDER.—The term “lender” (except when used as part of the terms “eligible lender” and “private educational lender”)—

(A) means—

(i) in the case of a loan made, insured, or guaranteed under part B of title IV, an eligible lender;

(ii) in the case of any loan issued or provided to a student under part D of title IV, the Secretary; **and**

(iii) in the case of a loan issued or provided to a student under part E of title IV on or after the date of enactment of the PROSPER Act;

[(iii)] (iv) in the case of a private education loan, a private educational lender as defined in section 140 of the Truth in Lending Act; and

(B) includes any other person engaged in the business of securing, making, or extending education loans on behalf of the lender.

(7) OFFICER.—The term “officer” includes a director or trustee of a covered institution or institution-affiliated organization, if such individual is treated as an employee of such covered institution or institution-affiliated organization, respectively.

(8) PREFERRED LENDER ARRANGEMENT.—The term “preferred lender arrangement”—

(A) means an arrangement or agreement between a lender and a covered institution or an institution-affiliated organization of such covered institution—

(i) under which a lender provides or otherwise issues education loans to the students attending such covered institution or the families of such students; and

(ii) that relates to such covered institution or such institution-affiliated organization recommending, promoting, or endorsing the education loan products of the lender; and

(B) does not include—

(i) arrangements or agreements with respect to loans under part D of title IV; **[or]**

(ii) arrangements or agreements with respect to loans under part E of title IV; or

[(ii)] *(iii) arrangements or agreements with respect to loans that originate through the auction pilot program under section 499(b).*

(9) PRIVATE EDUCATION LOAN.—The term “private education loan” has the meaning given the term in section 140 of the Truth in Lending Act.

SEC. 152. RESPONSIBILITIES OF COVERED INSTITUTIONS, INSTITUTION-AFFILIATED ORGANIZATIONS, AND LENDERS.

(a) RESPONSIBILITIES OF COVERED INSTITUTIONS AND INSTITUTION-AFFILIATED ORGANIZATIONS.—

(1) DISCLOSURES BY COVERED INSTITUTIONS AND INSTITUTION-AFFILIATED ORGANIZATIONS.—

(A) PREFERRED LENDER ARRANGEMENT DISCLOSURES.—In addition to the disclosures required by subsections (a)(27) and (h) of section 487 (if applicable), a covered institution, or an institution-affiliated organization of such covered institution, that participates in a preferred lender arrangement shall disclose—

(i) on such covered institution’s or institution-affiliated organization’s website and in all informational materials described in subparagraph (C) that describe or discuss education loans—

(I) the maximum amount of Federal grant and loan aid under title IV available to students, in an easy to understand format;

(II) the information required to be disclosed pursuant to section 153(a)(2)(A)(i), for each type of loan described in section 151(3)(A) that is offered pursuant to a preferred lender arrangement of the institution or organization to students of the institution or the families of such students; and

(III) a statement that such institution is required to process the documents required to obtain a loan under part B of title IV from any eligible lender the student selects; and

(ii) on such covered institution’s or institution-affiliated organization’s website and in all informational materials described in subparagraph (C) that describe or discuss private education loans—

(I) in the case of a covered institution, the information that the Board of Governors of the Federal Reserve System requires to be disclosed under section 128(e)(11) of the Truth in Lending Act (15 U.S.C. 1638(e)(11)), for each type of private education loan offered pursuant to a preferred lender

arrangement of the institution to students of the institution or the families of such students; and

(II) in the case of an institution-affiliated organization of a covered institution, the information the Board of Governors of the Federal Reserve System requires to be disclosed under section 128(e)(1) of the Truth in Lending Act (15 U.S.C. 1638(e)(1)), for each type of private education loan offered pursuant to a preferred lender arrangement of the organization to students of such institution or the families of such students.

(B) PRIVATE EDUCATION LOAN DISCLOSURES.—A covered institution, or an institution-affiliated organization of such covered institution, that provides information regarding a private education loan from a lender to a prospective borrower shall—

[(i) provide the prospective borrower with the information the Board of Governors of the Federal Reserve System requires to be disclosed under section 128(e)(1) of the Truth in Lending Act (15 U.S.C. 1638(e)(1)) for such loan;]

(i) make available to the prospective borrower on a website or with informational material, the information the Board of Governors of the Federal Reserve System requires the lender to provide to the covered institution under section 128(e)(11) of the Truth in Lending Act (15 U.S.C. 1638(e)(11)) for such loan;

(ii) inform the prospective borrower that—

(I) the prospective borrower may qualify for loans or other assistance under title IV; and

(II) the terms and conditions of loans made, insured, or guaranteed under title IV may be more favorable than the provisions of private education loans; and

(iii) ensure that information regarding private education loans is presented in such a manner as to be distinct from information regarding loans that are made, insured, or guaranteed under title IV.

(C) INFORMATIONAL MATERIALS.—The informational materials described in this subparagraph are publications, mailings, or electronic messages or materials that—

(i) are distributed to prospective or current students of a covered institution and families of such students; and

(ii) describe or discuss the financial aid opportunities available to students at an institution of higher education.

(D) SPECIAL RULE.—*Notwithstanding any other provision of law, a covered institution, or an institution-affiliated organization of such covered institution, shall not be required to provide any information regarding private education loans to prospective borrowers except for the information described in subparagraph (B).*

(2) USE OF INSTITUTION NAME.—A covered institution, or an institution-affiliated organization of such covered institution,

that enters into a preferred lender arrangement with a lender regarding private education loans shall not agree to the lender's use of the name, emblem, mascot, or logo of such institution or organization, or other words, pictures, or symbols readily identified with such institution or organization, in the marketing of private education loans to students attending such institution in any way that implies that the loan is offered or made by such institution or organization instead of the lender.

(3) USE OF LENDER NAME.—A covered institution, or an institution-affiliated organization of such covered institution, that enters into a preferred lender arrangement with a lender regarding private education loans shall ensure that the name of the lender is displayed in all information and documentation related to such loans.

(b) LENDER RESPONSIBILITIES.—

(1) DISCLOSURES BY LENDERS.—

(A) DISCLOSURES TO BORROWERS.—

(i) FEDERAL EDUCATION LOANS.—For each education loan that is made, insured, or guaranteed under [part B or D] *part B, D, or E* of title IV (other than a loan made under section 428C or a Federal Direct Consolidation Loan), at or prior to the time the lender disburses such loan, the lender shall provide the prospective borrower or borrower, in writing (including through electronic means), with the disclosures described in subsections (a) and (c) of section 433.

(ii) PRIVATE EDUCATION LOANS.—For each of a lender's private education loans, the lender shall comply with the disclosure requirements under section 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)).

(B) DISCLOSURES TO THE SECRETARY.—

(i) IN GENERAL.—Each lender of a loan made, insured, or guaranteed under part B of title IV shall, on an annual basis, report to the Secretary—

(I) any reasonable expenses paid or provided under section 435(d)(5)(D) or paragraph (3)(B) or (7) of section 487(e) to any agent of a covered institution who—

(aa) is employed in the financial aid office of a covered institution; or

(bb) otherwise has responsibilities with respect to education loans or other financial aid of the institution; and

(II) any similar expenses paid or provided to any agent of an institution-affiliated organization who is involved in the practice of recommending, promoting, or endorsing education loans.

(ii) CONTENTS OF REPORTS.—Each report described in clause (i) shall include—

(I) the amount for each specific instance in which the lender provided such expenses;

(II) the name of any agent described in clause (i) to whom the expenses were paid or provided;

(III) the dates of the activity for which the expenses were paid or provided; and

(IV) a brief description of the activity for which the expenses were paid or provided.

(iii) REPORT TO CONGRESS.—The Secretary shall summarize the information received from the lenders under this subparagraph in a report and transmit such report annually to the authorizing committees.

(2) CERTIFICATION BY LENDERS.—Not later than 18 months after the date of enactment of the Higher Education Opportunity Act—

(A) in addition to any other disclosure required under Federal law, each lender of a loan made, insured, or guaranteed under part B of title IV that participates in one or more preferred lender arrangements shall annually certify the lender's compliance with the requirements of this Act; and

(B) if an audit of a lender is required pursuant to section 428(b)(1)(U)(iii), the lender's compliance with the requirements under this section shall be reported on and attested to annually by the auditor of such lender.

SEC. 153. LOAN INFORMATION TO BE DISCLOSED AND MODEL DISCLOSURE FORM FOR COVERED INSTITUTIONS, INSTITUTION-AFFILIATED ORGANIZATIONS, AND LENDERS PARTICIPATING IN PREFERRED LENDER ARRANGEMENTS.

(a) DUTIES OF THE SECRETARY.—

(1) DETERMINATION OF MINIMUM DISCLOSURES.—

(A) IN GENERAL.—Not later than 18 months after the date of enactment of the Higher Education Opportunity Act, the Secretary, in coordination with the Board of Governors of the Federal Reserve System, shall determine the minimum information that lenders, covered institutions, and institution-affiliated organizations of such covered institutions participating in preferred lender arrangements shall make available regarding education loans described in section 151(3)(A) that are offered to students and the families of such students.

(B) CONSULTATION AND CONTENT OF MINIMUM DISCLOSURES.—In carrying out subparagraph (A), the Secretary shall—

(i) consult with students, the families of such students, representatives of covered institutions (including financial aid administrators, admission officers, and business officers), representatives of institution-affiliated organizations, secondary school guidance counselors, lenders, loan servicers, and guaranty agencies; and

(ii) include, in the minimum information under subparagraph (A) that is required to be made available, the information that the Board of Governors of the Federal Reserve System requires to be disclosed under section 128(e)(1) of the Truth in Lending Act (15 U.S.C. 1638(e)(1)), modified as necessary to apply to such loans; and

[(iii) consider the merits of requiring each covered institution, and each institution-affiliated organization of such covered institution, with a preferred lender ar-

rangement to provide to prospective borrowers and the families of such borrowers the following information for each type of education loan offered pursuant to such preferred lender arrangement:

【(I) The interest rate and terms and conditions of the loan for the next award year, including loan forgiveness and deferment.

【(II) Information on any charges, such as origination and Federal default fees, that are payable on the loan, and whether those charges will be—

【(aa) collected by the lender at or prior to the disbursement of the loan, including whether the charges will be deducted from the proceeds of the loan or paid separately by the borrower; or

【(bb) paid in whole or in part by the lender.

【(III) The annual and aggregate maximum amounts that may be borrowed.

【(IV) The average amount borrowed from the lender by students who graduated from such institution in the preceding year with certificates, undergraduate degrees, graduate degrees, and professional degrees, as applicable, and who obtained loans of such type from the lender for the preceding year.

【(V) The amount the borrower may pay in interest, based on a standard repayment plan and the average amount borrowed from the lender by students who graduated from such institution in the preceding year and who obtained loans of such type from the lender for the preceding year, for—

【(aa) borrowers of loans made under section 428;

【(bb) borrowers of loans made under section 428B or 428H, who pay the interest while in school; and

【(cc) borrowers of loans made under section 428B or 428H, who do not pay the interest while in school.

【(VI) The consequences for the borrower of defaulting on a loan, including limitations on the discharge of an education loan in bankruptcy.

【(VII) Contact information for the lender.

【(VIII) Other information suggested by the persons and entities with whom the Secretary has consulted under clause (i).】

(2) REQUIRED DISCLOSURES.—After making the determinations under paragraph (1), the Secretary, in coordination with the Board of Governors of the Federal Reserve System and after consultation with the public, shall—

(A)(i) provide that the information determined under paragraph (1) shall be disclosed by covered institutions, and institution-affiliated organizations of such covered institutions, with preferred lender arrangements to prospective borrowers and the families of such borrowers regard-

ing the education loans described in section 151(3)(A) that are offered pursuant to such preferred lender arrangements; and

(ii) make clear that such covered institutions and institution-affiliated organizations may provide the required information on a form designed by the institution or organization instead of the model disclosure form described in subparagraph (B);

(B) develop a model disclosure form that may be used by covered institutions, institution-affiliated organizations, and preferred lenders that includes all of the information required under subparagraph (A)(i) in a format that—

(i) is easily usable by students, families, institutions, institution-affiliated organizations, lenders, loan servicers, and guaranty agencies; and

(ii) is similar in format to the form developed by the Board of Governors of the Federal Reserve System under paragraphs (1) and (5)(A) of section 128(e), in order to permit students and the families of students to easily compare private education loans and education loans described in section 151(3)(A); and

[(C) update such model disclosure form periodically, as necessary.]

(C) update such model disclosure form not later than 180 after the date of enactment of the PROSPER Act, and periodically thereafter, as necessary.

(b) DUTIES OF LENDERS.—Each lender that has a preferred lender arrangement with a covered institution, or an institution-affiliated organization of such covered institution, with respect to education loans described in section 151(3)(A) shall annually, by a date determined by the Secretary, provide to such covered institution or such institution-affiliated organization, and to the Secretary, the information the Secretary requires pursuant to subsection (a)(2)(A)(i) for each type of education loan described in section 151(3)(A) that the lender plans to offer pursuant to such preferred lender arrangement to students attending such covered institution, or to the families of such students, for the next award year.

[(c) DUTIES OF COVERED INSTITUTIONS AND INSTITUTION-AFFILIATED ORGANIZATIONS.—

[(1) PROVIDING INFORMATION TO STUDENTS AND FAMILIES.—

[(A) IN GENERAL.—Each covered institution, and each institution-affiliated organization of such covered institution, that has a preferred lender arrangement shall provide the following information to students attending such institution, or the families of such students, as applicable:

[(i) The information the Secretary requires pursuant to subsection (a)(2)(A)(i), for each type of education loan described in section 151(3)(A) offered pursuant to a preferred lender arrangement to students of such institution or the families of such students.

[(ii)(I) In the case of a covered institution, the information that the Board of Governors of the Federal Reserve System requires to be disclosed under section 128(e)(11) of the Truth in Lending Act (15 U.S.C. 1638(e)(11)) to the covered institution, for each type of

private education loan offered pursuant to such preferred lender arrangement to students of such institution or the families of such students.

[(II) In the case of an institution-affiliated organization, the information the Board of Governors of the Federal Reserve System requires to be disclosed under section 128(e)(1) of the Truth in Lending Act (15 U.S.C. 1638(e)(1)), for each type of private education loan offered pursuant to such preferred lender arrangement to students of the institution with which such organization is affiliated or the families of such students.

[(B) **TIMELY PROVISION OF INFORMATION.**—The information described in subparagraph (A) shall be provided in a manner that allows for the students or the families to take such information into account before selecting a lender or applying for an education loan.

[(2) **ANNUAL REPORT.**—Each covered institution, and each institution-affiliated organization of such covered institution, that has a preferred lender arrangement, shall—

[(A) prepare and submit to the Secretary an annual report, by a date determined by the Secretary, that includes, for each lender that has a preferred lender arrangement with such covered institution or organization—

[(i) the information described in clauses (i) and (ii) of paragraph (1)(A); and

[(ii) a detailed explanation of why such covered institution or institution-affiliated organization entered into a preferred lender arrangement with the lender, including why the terms, conditions, and provisions of each type of education loan provided pursuant to the preferred lender arrangement are beneficial for students attending such institution, or the families of such students, as applicable; and

[(B) ensure that the report required under subparagraph (A) is made available to the public and provided to students attending or planning to attend such covered institution and the families of such students.

[(3) **CODE OF CONDUCT.**—

[(A) **IN GENERAL.**—Each covered institution, and each institution-affiliated organization of such covered institution, that has a preferred lender arrangement, shall comply with the code of conduct requirements of subparagraphs (A) through (C) of section 487(a)(25).

[(B) **APPLICABLE CODE OF CONDUCT.**—For purposes of subparagraph (A), an institution-affiliated organization of a covered institution shall—

[(i) comply with the code of conduct developed and published by such covered institution under subparagraphs (A) and (B) of section 487(a)(25);

[(ii) if such institution-affiliated organization has a website, publish such code of conduct prominently on the website; and

[(iii) administer and enforce such code of conduct by, at a minimum, requiring that all of such organiza-

tion's agents with responsibilities with respect to education loans be annually informed of the provisions of such code of conduct.】

(c) *DUTIES OF COVERED INSTITUTIONS AND INSTITUTION-AFFILIATED ORGANIZATIONS.*—

(1) *CODE OF CONDUCT.*—*Each covered institution, and each institution-affiliated organization of such covered institution, that has a preferred lender arrangement, shall comply with the code of conduct requirements of subparagraphs (A) through (C) of section 487(a)(23).*

(2) *APPLICABLE CODE OF CONDUCT.*—*For purposes of subparagraph (A), an institution-affiliated organization of a covered institution shall—*

(A) *comply with the code of conduct developed and published by such covered institution under subparagraphs (A) and (B) of section 487(a)(23);*

(B) *if such institution-affiliated organization has a website, publish such code of conduct prominently on the website; and*

(C) *administer and enforce such code of conduct by, at a minimum, requiring that all of such organization's agents with responsibilities with respect to education loans be annually informed of the provisions of such code of conduct.*

SEC. 154. LOAN INFORMATION TO BE DISCLOSED AND MODEL DISCLOSURE FORM FOR INSTITUTIONS PARTICIPATING IN THE WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM OR THE FEDERAL ONE LOAN PROGRAM.

(a) *PROVISION OF DISCLOSURES TO INSTITUTIONS BY THE SECRETARY.*—*Not later than 180 days after [the development] the first update of the model disclosure form under [section 153(a)(2)(B)] section 153(a)(2)(C), the Secretary shall provide each institution of higher education participating in the [William D. Ford Direct Loan Program] William D. Ford Direct Loan Program or the Federal ONE Loan Program under [part D] part D or E of title IV with a completed model disclosure form including the same information for [Federal Direct Stafford Loans, Federal Direct Unsubsidized Stafford Loans, and Federal Direct PLUS] undergraduate, graduate, and parent loans made to, or on behalf of, students attending each such institution as is required on such form for loans described in section 151(3)(A).*

(b) *DUTIES OF INSTITUTIONS.*—

(1) *IN GENERAL.*—*Each institution of higher education participating in the [William D. Ford Direct Loan Program] William D. Ford Direct Loan Program or the Federal ONE Loan Program under [part D] part D or E of title IV shall—*

(A) *make the information the Secretary provides to the institution under subsection (a) available to students attending or planning to attend the institution, or the families of such students, as applicable; and*

(B) *if the institution provides information regarding a private education loan to a prospective borrower, concurrently provide such borrower with the information the Secretary provides to the institution under subsection (a).*

(2) *CHOICE OF FORMS.*—*In providing the information required under paragraph (1), an institution of higher education may*

use a comparable form designed by the institution instead of the model disclosure form developed under section 153(a)(2)(B).

* * * * *

PART F—ADDRESSING SEXUAL ASSAULT

SEC. 161. APPLICATION.

The requirements of this part shall apply to any institution of higher education receiving Federal financial assistance under this Act, including financial assistance provided to students under title IV, other than—

- (1) *an institution outside the United States; or*
- (2) *an institution that provides instruction primarily through online courses.*

SEC. 162. CAMPUS CLIMATE SURVEYS.

(a) **SURVEYS TO MEASURE CAMPUS ATTITUDES AND CLIMATE REGARDING SEXUAL ASSAULT AND MISCONDUCT ON CAMPUS.**—*Each institution of higher education that is subject to this part shall conduct surveys of its students to measure campus attitudes towards sexual assault and the general climate of the campus regarding the institution's treatment of sexual assault on campus, and shall use the results of the survey to improve the institution's ability to prevent and respond appropriately to incidents of sexual assault.*

(b) **CONTENTS.**—*The institution's survey under this section shall consist of such questions as the institution considers appropriate, which may (at the option of the institution) include any of the following:*

- (1) *Questions on the incidence and prevalence of sexual assault experienced by students.*
- (2) *Questions on whether students who experience sexual assault report such incidents to campus officials or law enforcement agencies.*
- (3) *Questions on whether the alleged perpetrators are students of the institution.*
- (4) *Questions to test the students' knowledge and understanding of institutional policies regarding sexual assault and available campus support services for victims of sexual assault.*
- (5) *Questions to test the students' knowledge, understanding, and retention of campus sexual assault prevention and awareness programming.*
- (6) *Questions related to dating violence, domestic violence, and stalking.*

(c) **OTHER ISSUES RELATING TO THE ADMINISTRATION OF SURVEYS.**—

(1) **MANDATORY CONFIDENTIALITY OF RESPONSES.**—*The institution shall ensure that all responses to surveys under this section are kept confidential and do not require the respondents to provide personally identifiable information.*

(2) **ENCOURAGING USE OF BEST PRACTICES AND APPROPRIATE LANGUAGE.**—*The institution is encouraged to administer the surveys under this section in accordance with best practices derived from peer-reviewed research, and to use language that is sensitive to potential respondents who may have been victims of sexual assault.*

(3) *ENCOURAGING RESPONSES.*—The institution shall make a good faith effort to encourage students to respond to the surveys.

(d) *ROLE OF SECRETARY.*—

(1) *DEVELOPMENT OF SAMPLE SURVEYS.*—The Secretary, in consultation with relevant stakeholders, shall develop sample surveys that an institution may elect to use under this section, and shall post such surveys on a publicly accessible website of the Department of Education. The Secretary shall develop sample surveys that are suitable for the various populations who will participate in the surveys.

(2) *LIMIT ON OTHER ACTIVITIES.*—In carrying out this section, the Secretary—

(A) may not regulate or otherwise impose conditions on the contents of an institution's surveys under this section, except as may be necessary to ensure that the institution meets the confidentiality requirements of subsection (c)(1); and

(B) may not use the results of the surveys to make comparisons between institutions of higher education.

(e) *FREQUENCY.*—An institution of higher education that is subject to this part shall conduct a survey under this section not less frequently than once every 3 academic years.

SEC. 163. SURVIVORS' COUNSELORS.

(a) *REQUIRING INSTITUTIONS TO MAKE COUNSELOR AVAILABLE.*—

(1) *IN GENERAL.*—Each institution of higher education that is subject to this part shall retain the services of qualified sexual assault survivors' counselors to counsel and support students who are victims of sexual assault.

(2) *USE OF CONTRACTORS PERMITTED.*—At the option of the institution, the institution may retain the services of counselors who are employees of the institution or may enter into agreements with other institutions of higher education, victim advocacy organizations, or other appropriate sources to provide counselors for purposes of this section.

(3) *NUMBER.*—The institution shall retain such number of counselors under this section as the institution considers appropriate based on a reasonable determination of the anticipated demand for such counselors' services, so long as the institution retains the services of at least one such counselor at all times.

(b) *QUALIFICATIONS.*—A counselor is qualified for purposes of this section if the counselor has completed education specifically designed to enable the counselor to provide support to victims of sexual assault, and is familiar with relevant laws on sexual assault as well as the institution's own policies regarding sexual assault.

(c) *INFORMING VICTIMS OF AVAILABLE OPTIONS AND SERVICES.*—In providing services pursuant to this section, a counselor shall—

(1) inform the victim of sexual assault of options available to victims, including the procedures the victim may follow to report the assault to the institution or to a law enforcement agency; and

(2) inform the victim of interim measures that may be taken pending the resolution of institutional disciplinary proceedings or the conclusion of criminal justice proceedings.

(d) *CONFIDENTIALITY.*—

(1) **MAINTAINING CONFIDENTIALITY OF INFORMATION.**—*In providing services pursuant to this section, a counselor shall—*

(A) *maintain confidentiality with respect to any information provided by a victim of sexual assault to the greatest extent permitted under applicable law; and*

(B) *notify the victim of any circumstances under which the counselor is required to report information to others (including a law enforcement agency) notwithstanding the general requirement to maintain confidentiality under subparagraph (A).*

(2) **MAINTAINING PRIVACY OF RECORDS.**—*A counselor providing services pursuant to this section shall be considered a recognized professional for purposes of section 444(a)(4)(B)(iv) of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”) (20 U.S.C. 1232g(a)(4)(B)(iv)).*

(e) **LIMITATIONS.**—

(1) **NO REPORTING OF INCIDENTS UNDER CLERY ACT OR OTHER AUTHORITY.**—*A counselor providing services pursuant to this section is not required to report incidents of sexual assault that are reported to the counselor for inclusion in any report on campus crime statistics, and shall not be considered part of a campus police or security department for purposes of section 485(f).*

(2) **NO COVERAGE OF COUNSELORS AS RESPONSIBLE EMPLOYEES UNDER TITLE IX.**—*A counselor providing services pursuant to this section on behalf of an institution of higher education shall not be considered a responsible employee of the institution for purposes of title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.) or the regulations promulgated pursuant to such title.*

(f) **NOTIFICATIONS TO STUDENTS.**—*Each institution of higher education that is subject to this part shall make a good faith effort to notify its students of the availability of the services of counselors pursuant to this section through the statement of policy described in section 485(f)(8)(B)(vi) and any other methods as the institution considers appropriate, including disseminating information through the institution’s website, posting notices throughout the campus, and including information as part of programs to educate students on sexual assault prevention and awareness.*

SEC. 164. FORM TO DISTRIBUTE TO VICTIMS OF SEXUAL ASSAULT.

(a) **REQUIREMENT TO DEVELOP AND DISTRIBUTE FORM.**—*Each institution of higher education that is subject to this part shall develop a one-page form containing information to provide guidance and assistance to students who may be victims of sexual assault, and shall make the form widely available to students.*

(b) **CONTENTS OF FORM.**—*The form developed under this section shall contain such information as the institution considers appropriate, and may include the following:*

(1) *Information about the services of counselors which are available pursuant to section 163, including a statement that the counselor will provide the maximum degree of confidentiality permitted under law, and a brief description of the circumstances under which the counselor may be required to report information notwithstanding the victim’s desire to keep the information confidential.*

(2) Information about other appropriate campus resources and resources in the local community, including contact information.

(3) Information about where to obtain medical treatment, and information about transportation services to such medical treatment facilities, if available.

(4) Information about the importance of preserving evidence after a sexual assault.

(5) Information about how to file a report with local law enforcement agencies.

(6) Information about the victim's right to request accommodations, and examples of accommodations that may be provided.

(7) Information about the victim's right to request that the institution begin an investigation of an allegation of sexual assault and initiate an institutional disciplinary proceeding if the alleged perpetrator of the assault is another student or a member of the faculty or staff of the institution.

(8) A statement that an institutional disciplinary proceeding is not a substitute for a criminal justice proceeding.

(9) Information about how to report a sexual assault to the institution, including the designated official or office responsible for receiving these reports.

(c) **DEVELOPMENT OF MODEL FORMS.**—The Secretary, in consultation with relevant stakeholders, shall develop model forms that an institution may use to meet the requirements of this section, and shall include in such model forms language which may accommodate a variety of State and local laws and institutional policies. Nothing in this subsection may be construed to require an institution to use any of the model forms developed under this subsection.

SEC. 165. MEMORANDA OF UNDERSTANDING WITH LOCAL LAW ENFORCEMENT AGENCIES.

(a) **FINDINGS; PURPOSE.**—

(1) **FINDINGS.**—Because sexual assault is a serious crime, coordination and cooperation between institutions of higher education and law enforcement agencies are critical in ensuring that reports of sexual assaults on campus are handled in an appropriate and effective manner. A memorandum of understanding entered into between an institution and the law enforcement agency with primary jurisdiction for responding to reports of sexual assault on the institution's campus is a useful tool to promote this coordination and cooperation.

(2) **PURPOSE.**—It is the purpose of this section to encourage each institution of higher education that is subject to this part to enter into a memorandum of understanding with the law enforcement agency with primary jurisdiction for responding to reports of sexual assault on the institution's campus so that reports of sexual assault on the institution's campus may be handled in an appropriate and effective manner.

(b) **CONTENTS OF MEMORANDUM.**—An institution of higher education and a law enforcement agency entering into a memorandum of understanding described in this section are encouraged to include in the memorandum provisions addressing the following:

(1) An outline of the protocols and a delineation of responsibilities for responding to a report of sexual assault occurring on campus.

(2) A clarification of each party's responsibilities under existing Federal, State, and local law or policies.

(3) The need for the law enforcement agency to know about institutional policies and resources so that the agency can direct student-victims of sexual assault to such resources.

(4) The need for the institution to know about resources available within the criminal justice system to assist survivors, including the presence of special prosecutor or police units specifically designated to handle sexual assault cases.

(5) If the institution has a campus police or security department with law enforcement authority, the need to clarify the relationship and delineate the responsibilities between such department and the law enforcement agency with respect to handling incidents of sexual assaults occurring on campus.

(c) **ROLE OF SECRETARY.**—The Secretary, in consultation with the Attorney General, shall develop best practices for memoranda of understanding described in this section, and shall disseminate such best practices on a publicly accessible website of the Department of Education.

SEC. 166. DEFINITIONS.

In this part:

(1) The term “sexual assault” has the meaning given such term in section 485(f)(6)(A)(v).

(2) The terms “dating violence”, “domestic violence”, and “stalking”, have the meaning given such terms in section 485(f)(6)(A)(i).

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[TITLE II—TEACHER QUALITY ENHANCEMENT

[SEC. 200. DEFINITIONS.

[In this title:

[(1) **ARTS AND SCIENCES.**—The term “arts and sciences” means—

[(A) when referring to an organizational unit of an institution of higher education, any academic unit that offers one or more academic majors in disciplines or content areas corresponding to the academic subject matter areas in which teachers provide instruction; and

[(B) when referring to a specific academic subject area, the disciplines or content areas in which academic majors are offered by the arts and sciences organizational unit.

[(2) **CHILDREN FROM LOW-INCOME FAMILIES.**—The term “children from low-income families” means children described in section 1124(c)(1)(A) of the Elementary and Secondary Education Act of 1965.

[(3) **CORE ACADEMIC SUBJECTS.**—The term “core academic subjects” means English, reading or language arts, mathe-

mathematics, science, foreign languages, civics and government, economics, arts, history, and geography.

[(4) EARLY CHILDHOOD EDUCATOR.—The term “early childhood educator” means an individual with primary responsibility for the education of children in an early childhood education program.

[(5) EDUCATIONAL SERVICE AGENCY.—The term “educational service agency” has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

[(6) ELIGIBLE PARTNERSHIP.—Except as otherwise provided in section 251, the term “eligible partnership” means an entity that—

[(A) shall include—

[(i) a high-need local educational agency;

[(ii)(I) a high-need school or a consortium of high-need schools served by the high-need local educational agency; or

[(II) as applicable, a high-need early childhood education program;

[(iii) a partner institution;

[(iv) a school, department, or program of education within such partner institution, which may include an existing teacher professional development program with proven outcomes within a four-year institution of higher education that provides intensive and sustained collaboration between faculty and local educational agencies consistent with the requirements of this title; and

[(v) a school or department of arts and sciences within such partner institution; and

[(B) may include any of the following:

[(i) The Governor of the State.

[(ii) The State educational agency.

[(iii) The State board of education.

[(iv) The State agency for higher education.

[(v) A business.

[(vi) A public or private nonprofit educational organization.

[(vii) An educational service agency.

[(viii) A teacher organization.

[(ix) A high-performing local educational agency, or a consortium of such local educational agencies, that can serve as a resource to the partnership.

[(x) A charter school (as defined in section 4310 of the Elementary and Secondary Education Act of 1965).

[(xi) A school or department within the partner institution that focuses on psychology and human development.

[(xii) A school or department within the partner institution with comparable expertise in the disciplines of teaching, learning, and child and adolescent development.

[(xiii) An entity operating a program that provides alternative routes to State certification of teachers.

[(7) **ESSENTIAL COMPONENTS OF READING INSTRUCTION.**—The term “essential components of reading instruction” has the meaning given the term in section 1208 of the Elementary and Secondary Education Act of 1965 as such section was in effect on the day before the date of enactment of the Every Student Succeeds Act.

[(8) **EXEMPLARY TEACHER.**—The term “exemplary teacher” has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 as such section was in effect on the day before the date of enactment of the Every Student Succeeds Act.

[(9) **HIGH-NEED EARLY CHILDHOOD EDUCATION PROGRAM.**—The term “high-need early childhood education program” means an early childhood education program serving children from low-income families that is located within the geographic area served by a high-need local educational agency.

[(10) **HIGH-NEED LOCAL EDUCATIONAL AGENCY.**—The term “high-need local educational agency” means a local educational agency—

[(A)(i) for which not less than 20 percent of the children served by the agency are children from low-income families;

[(ii) that serves not fewer than 10,000 children from low-income families;

[(iii) that meets the eligibility requirements for funding under the Small, Rural School Achievement Program under section 5211(b) of the Elementary and Secondary Education Act of 1965; or

[(iv) that meets the eligibility requirements for funding under the Rural and Low-Income School Program under section 5221(b) of the Elementary and Secondary Education Act of 1965; and

[(B)(i) for which there is a high percentage of teachers not teaching in the academic subject areas or grade levels in which the teachers were trained to teach; or

[(ii) for which there is a high teacher turnover rate or a high percentage of teachers with emergency, provisional, or temporary certification or licensure.

[(11) **HIGH-NEED SCHOOL.**—

[(A) **IN GENERAL.**—The term “high-need school” means a school that, based on the most recent data available, meets one or both of the following:

[(i) The school is in the highest quartile of schools in a ranking of all schools served by a local educational agency, ranked in descending order by percentage of students from low-income families enrolled in such schools, as determined by the local educational agency based on one of the following measures of poverty:

[(I) The percentage of students aged 5 through 17 in poverty counted in the most recent census data approved by the Secretary.

[(II) The percentage of students eligible for a free or reduced price school lunch under the Richard B. Russell National School Lunch Act.

[(III) The percentage of students in families receiving assistance under the State program funded under part A of title IV of the Social Security Act.

[(IV) The percentage of students eligible to receive medical assistance under the Medicaid program.

[(V) A composite of two or more of the measures described in subclauses (I) through (IV).

[(ii) In the case of—

[(I) an elementary school, the school serves students not less than 60 percent of whom are eligible for a free or reduced price school lunch under the Richard B. Russell National School Lunch Act; or

[(II) any other school that is not an elementary school, the other school serves students not less than 45 percent of whom are eligible for a free or reduced price school lunch under the Richard B. Russell National School Lunch Act.

[(B) SPECIAL RULE.—

[(i) DESIGNATION BY THE SECRETARY.—The Secretary may, upon approval of an application submitted by an eligible partnership seeking a grant under this title, designate a school that does not qualify as a high-need school under subparagraph (A) as a high-need school for the purpose of this title. The Secretary shall base the approval of an application for designation of a school under this clause on a consideration of the information required under clause (ii), and may also take into account other information submitted by the eligible partnership.

[(ii) APPLICATION REQUIREMENTS.—An application for designation of a school under clause (i) shall include—

[(I) the number and percentage of students attending such school who are—

[(aa) aged 5 through 17 in poverty counted in the most recent census data approved by the Secretary;

[(bb) eligible for a free or reduced price school lunch under the Richard B. Russell National School Lunch Act;

[(cc) in families receiving assistance under the State program funded under part A of title IV of the Social Security Act; or

[(dd) eligible to receive medical assistance under the Medicaid program;

[(II) information about the student academic achievement of students at such school; and

[(III) for a secondary school, the graduation rate for such school.

[(12) HIGHLY COMPETENT.—The term “highly competent”, when used with respect to an early childhood educator, means an educator—

[(A) with specialized education and training in development and education of young children from birth until entry into kindergarten;

[(B) with—

[(i) a baccalaureate degree in an academic major in the arts and sciences; or

[(ii) an associate's degree in a related educational area; and

[(C) who has demonstrated a high level of knowledge and use of content and pedagogy in the relevant areas associated with quality early childhood education.

[(14) INDUCTION PROGRAM.—The term “induction program” means a formalized program for new teachers during not less than the teachers’ first two years of teaching that is designed to provide support for, and improve the professional performance and advance the retention in the teaching field of, beginning teachers. Such program shall promote effective teaching skills and shall include the following components:

[(A) High-quality teacher mentoring.

[(B) Periodic, structured time for collaboration with teachers in the same department or field, including mentor teachers, as well as time for information-sharing among teachers, principals, administrators, other appropriate instructional staff, and participating faculty in the partner institution.

[(C) The application of empirically-based practice and scientifically valid research on instructional practices.

[(D) Opportunities for new teachers to draw directly on the expertise of teacher mentors, faculty, and researchers to support the integration of empirically-based practice and scientifically valid research with practice.

[(E) The development of skills in instructional and behavioral interventions derived from empirically-based practice and, where applicable, scientifically valid research.

[(F) Faculty who—

[(i) model the integration of research and practice in the classroom; and

[(ii) assist new teachers with the effective use and integration of technology in the classroom.

[(G) Interdisciplinary collaboration among exemplary teachers, faculty, researchers, and other staff who prepare new teachers with respect to the learning process and the assessment of learning.

[(H) Assistance with the understanding of data, particularly student achievement data, and the applicability of such data in classroom instruction.

[(I) Regular and structured observation and evaluation of new teachers by multiple evaluators, using valid and reliable measures of teaching skills.

[(15) LIMITED ENGLISH PROFICIENT.—The term “limited English proficient” has the meaning given the term ‘English learner’ in section 8101 of the Elementary and Secondary Education Act of 1965.

[(16) PARENT.—The term “parent” has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

[(17) PARTNER INSTITUTION.—The term “partner institution” means an institution of higher education, which may include a two-year institution of higher education offering a dual program with a four-year institution of higher education, participating in an eligible partnership that has a teacher preparation program—

[(A) whose graduates exhibit strong performance on State-determined qualifying assessments for new teachers through—

[(i) demonstrating that 80 percent or more of the graduates of the program who intend to enter the field of teaching have passed all of the applicable State qualification assessments for new teachers, which shall include an assessment of each prospective teacher’s subject matter knowledge in the content area in which the teacher intends to teach; or

[(ii) being ranked among the highest-performing teacher preparation programs in the State as determined by the State—

[(I) using criteria consistent with the requirements for the State report card under section 205(b) before the first publication of such report card; and

[(II) using the State report card on teacher preparation required under section 205(b), after the first publication of such report card and for every year thereafter; and

[(B) that requires—

[(i) each student in the program to meet high academic standards or demonstrate a record of success, as determined by the institution (including prior to entering and being accepted into a program), and participate in intensive clinical experience;

[(ii) each student in the program preparing to become a teacher who meets the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act; and

[(iii) each student in the program preparing to become an early childhood educator to meet degree requirements, as established by the State, and become highly competent.

[(18) PRINCIPLES OF SCIENTIFIC RESEARCH.—The term “principles of scientific research” means principles of research that—

[(A) apply rigorous, systematic, and objective methodology to obtain reliable and valid knowledge relevant to education activities and programs;

[(B) present findings and make claims that are appropriate to, and supported by, the methods that have been employed; and

[(C) include, appropriate to the research being conducted—

[(i) use of systematic, empirical methods that draw on observation or experiment;

[(ii) use of data analyses that are adequate to support the general findings;

[(iii) reliance on measurements or observational methods that provide reliable and generalizable findings;

[(iv) strong claims of causal relationships, only with research designs that eliminate plausible competing explanations for observed results, such as, but not limited to, random-assignment experiments;

[(v) presentation of studies and methods in sufficient detail and clarity to allow for replication or, at a minimum, to offer the opportunity to build systematically on the findings of the research;

[(vi) acceptance by a peer-reviewed journal or critique by a panel of independent experts through a comparably rigorous, objective, and scientific review; and

[(vii) consistency of findings across multiple studies or sites to support the generality of results and conclusions.

[(19) PROFESSIONAL DEVELOPMENT.—The term “professional development” has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

[(20) SCIENTIFICALLY VALID RESEARCH.—The term “scientifically valid research” includes applied research, basic research, and field-initiated research in which the rationale, design, and interpretation are soundly developed in accordance with principles of scientific research.

[(21) TEACHER MENTORING.—The term “teacher mentoring” means the mentoring of new or prospective teachers through a program that—

[(A) includes clear criteria for the selection of teacher mentors who will provide role model relationships for mentees, which criteria shall be developed by the eligible partnership and based on measures of teacher effectiveness;

[(B) provides high-quality training for such mentors, including instructional strategies for literacy instruction and classroom management (including approaches that improve the schoolwide climate for learning, which may include positive behavioral interventions and supports);

[(C) provides regular and ongoing opportunities for mentors and mentees to observe each other’s teaching methods in classroom settings during the day in a high-need school in the high-need local educational agency in the eligible partnership;

[(D) provides paid release time for mentors, as applicable;

- [(E) provides mentoring to each mentee by a colleague who teaches in the same field, grade, or subject as the mentee;
 - [(F) promotes empirically-based practice of, and scientifically valid research on, where applicable—
 - [(i) teaching and learning;
 - [(ii) assessment of student learning;
 - [(iii) the development of teaching skills through the use of instructional and behavioral interventions; and
 - [(iv) the improvement of the mentees' capacity to measurably advance student learning; and
 - [(G) includes—
 - [(i) common planning time or regularly scheduled collaboration for the mentor and mentee; and
 - [(ii) joint professional development opportunities.
- [(22) TEACHING RESIDENCY PROGRAM.—The term “teaching residency program” means a school-based teacher preparation program in which a prospective teacher—
- [(A) for one academic year, teaches alongside a mentor teacher, who is the teacher of record;
 - [(B) receives concurrent instruction during the year described in subparagraph (A) from the partner institution, which courses may be taught by local educational agency personnel or residency program faculty, in the teaching of the content area in which the teacher will become certified or licensed;
 - [(C) acquires effective teaching skills; and
 - [(D) prior to completion of the program—
 - [(i) attains full State certification or licensure and, with respect to special education teachers, meets the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act; and
 - [(ii) acquires a master's degree not later than 18 months after beginning the program.
- [(23) TEACHING SKILLS.—The term “teaching skills” means skills that enable a teacher to—
- [(A) increase student learning, achievement, and the ability to apply knowledge;
 - [(B) effectively convey and explain academic subject matter;
 - [(C) effectively teach higher-order analytical, evaluation, problem-solving, and communication skills;
 - [(D) employ strategies grounded in the disciplines of teaching and learning that—
 - [(i) are based on empirically-based practice and scientifically valid research, where applicable, related to teaching and learning;
 - [(ii) are specific to academic subject matter; and
 - [(iii) focus on the identification of students' specific learning needs, particularly students with disabilities, students who are limited English proficient, students who are gifted and talented, and students with low literacy levels, and the tailoring of academic instruction to such needs;

[(E) conduct an ongoing assessment of student learning, which may include the use of formative assessments, performance-based assessments, project-based assessments, or portfolio assessments, that measures higher-order thinking skills (including application, analysis, synthesis, and evaluation);

[(F) effectively manage a classroom, including the ability to implement positive behavioral interventions and support strategies;

[(G) communicate and work with parents, and involve parents in their children's education; and

[(H) use, in the case of an early childhood educator, age-appropriate and developmentally appropriate strategies and practices for children in early childhood education programs.

[PART A—TEACHER QUALITY PARTNERSHIP GRANTS

[SEC. 201. PURPOSES.

[(The purposes of this part are to—

[(1) improve student achievement;

[(2) improve the quality of prospective and new teachers by improving the preparation of prospective teachers and enhancing professional development activities for new teachers;

[(3) hold teacher preparation programs at institutions of higher education accountable for preparing teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act; and

[(4) recruit highly qualified individuals, including minorities and individuals from other occupations, into the teaching force.

[SEC. 202. PARTNERSHIP GRANTS.

[(a) PROGRAM AUTHORIZED.—From amounts made available under section 209, the Secretary is authorized to award grants, on a competitive basis, to eligible partnerships, to enable the eligible partnerships to carry out the activities described in subsection (c).

[(b) APPLICATION.—Each eligible partnership desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall contain—

[(1) a needs assessment of the partners in the eligible partnership with respect to the preparation, ongoing training, professional development, and retention of general education and special education teachers, principals, and, as applicable, early childhood educators;

[(2) a description of the extent to which the program to be carried out with grant funds, as described in subsection (c), will prepare prospective and new teachers with strong teaching skills;

[(3) a description of how such program will prepare prospective and new teachers to understand and use research and data to modify and improve classroom instruction;

[(4) a description of—

[(A) how the eligible partnership will coordinate strategies and activities assisted under the grant with other teacher preparation or professional development programs, including programs funded under the Elementary and Secondary Education Act of 1965 and the Individuals with Disabilities Education Act, and through the National Science Foundation; and

[(B) how the activities of the partnership will be consistent with State, local, and other education reform activities that promote teacher quality and student academic achievement;

[(5) an assessment that describes the resources available to the eligible partnership, including—

[(A) the integration of funds from other related sources;

[(B) the intended use of the grant funds; and

[(C) the commitment of the resources of the partnership to the activities assisted under this section, including financial support, faculty participation, and time commitments, and to the continuation of the activities when the grant ends;

[(6) a description of—

[(A) how the eligible partnership will meet the purposes of this part;

[(B) how the partnership will carry out the activities required under subsection (d) or (e), based on the needs identified in paragraph (1), with the goal of improving student academic achievement;

[(C) if the partnership chooses to use funds under this section for a project or activities under subsection (f) or (g), how the partnership will carry out such project or required activities based on the needs identified in paragraph (1), with the goal of improving student academic achievement;

[(D) the partnership's evaluation plan under section 204(a);

[(E) how the partnership will align the teacher preparation program under subsection (c) with the—

[(i) State early learning standards for early childhood education programs, as appropriate, and with the relevant domains of early childhood development; and

[(ii) challenging State academic standards under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, established by the State in which the partnership is located;

[(F) how the partnership will prepare general education teachers to teach students with disabilities, including training related to participation as a member of individualized education program teams, as defined in section 614(d)(1)(B) of the Individuals with Disabilities Education Act;

[(G) how the partnership will prepare general education and special education teachers to teach students who are limited English proficient;

[(H) how faculty at the partner institution will work, during the term of the grant, with teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act, in the classrooms of high-need schools served by the high-need local educational agency in the partnership to—

[(i) provide high-quality professional development activities to strengthen the content knowledge and teaching skills of elementary school and secondary school teachers; and

[(ii) train other classroom teachers to implement literacy programs that incorporate the essential components of reading instruction;

[(I) how the partnership will design, implement, or enhance a year-long and rigorous teaching preservice clinical program component;

[(J) how the partnership will support in-service professional development strategies and activities; and

[(K) how the partnership will collect, analyze, and use data on the retention of all teachers and early childhood educators in schools and early childhood education programs located in the geographic area served by the partnership to evaluate the effectiveness of the partnership's teacher and educator support system; and

[(7) with respect to the induction program required as part of the activities carried out under this section—

[(A) a demonstration that the schools and departments within the institution of higher education that are part of the induction program will effectively prepare teachers, including providing content expertise and expertise in teaching, as appropriate;

[(B) a demonstration of the eligible partnership's capability and commitment to, and the accessibility to and involvement of faculty in, the use of empirically-based practice and scientifically valid research on teaching and learning;

[(C) a description of how the teacher preparation program will design and implement an induction program to support, through not less than the first two years of teaching, all new teachers who are prepared by the teacher preparation program in the partnership and who teach in the high-need local educational agency in the partnership, and, to the extent practicable, all new teachers who teach in such high-need local educational agency, in the further development of the new teachers' teaching skills, including the use of mentors who are trained and compensated by such program for the mentors' work with new teachers; and

[(D) a description of how faculty involved in the induction program will be able to substantially participate in an early childhood education program or an elementary school or secondary school classroom setting, as applicable, including release time and receiving workload credit for such participation.

[(c) USE OF GRANT FUNDS.—An eligible partnership that receives a grant under this section—

[(1) shall use grant funds to carry out a program for the preparation of teachers under subsection (d), a teaching residency program under subsection (e), or a combination of such programs; and

[(2) may use grant funds to carry out a leadership development program under subsection (f).

[(d) PARTNERSHIP GRANTS FOR THE PREPARATION OF TEACHERS.—An eligible partnership that receives a grant to carry out a program for the preparation of teachers shall carry out an effective pre-baccalaureate teacher preparation program or a 5th year initial licensing program that includes all of the following:

[(1) REFORMS.—

[(A) IN GENERAL.—Implementing reforms, described in subparagraph (B), within each teacher preparation program and, as applicable, each preparation program for early childhood education programs, of the eligible partnership that is assisted under this section, to hold each program accountable for—

[(i) preparing—

[(I) new or prospective teachers to meet the applicable Statecertification and licensure requirements, includingany requirements for certification obtainedthrough alternative routes to certification, or, withregard to special education teachers, the qualificationsdescribed in section 612(a)(14)(C) of theIndividuals with Disabilities Education Act(including teachers in rural school districts, specialeducators, and teachers of students who are limitedEnglish proficient);

[(II) such teachers and, as applicable, early childhood educators, to understand empirically-based practice and scientifically valid research related to teaching and learning and the applicability of such practice and research, including through the effective use of technology, instructional techniques, and strategies consistent with the principles of universal design for learning, and through positive behavioral interventions and support strategies to improve student achievement; and

[(III) as applicable, early childhood educators to be highly competent; and

[(ii) promoting strong teaching skills and, as applicable, techniques for early childhood educators to improve children's cognitive, social, emotional, and physical development.

[(B) REQUIRED REFORMS.—The reforms described in subparagraph (A) shall include—

[(i) implementing teacher preparation program curriculum changes that improve, evaluate, and assess how well all prospective and new teachers develop teaching skills;

[(ii) using empirically-based practice and scientifically valid research, where applicable, about teaching and learning so that all prospective teachers and, as applicable, early childhood educators—

[(I) understand and can implement research-based teaching practices in classroom instruction;

[(II) have knowledge of student learning methods;

[(III) possess skills to analyze student academic achievement data and other measures of student learning, and use such data and measures to improve classroom instruction;

[(IV) possess teaching skills and an understanding of effective instructional strategies across all applicable content areas that enable general education and special education teachers and early childhood educators to—

[(aa) meet the specific learning needs of all students, including students with disabilities, students who are limited English proficient, students who are gifted and talented, students with low literacy levels and, as applicable, children in early childhood education programs; and

[(bb) differentiate instruction for such students;

[(V) can effectively participate as a member of the individualized education program team, as defined in section 614(d)(1)(B) of the Individuals with Disabilities Education Act; and

[(VI) can successfully employ effective strategies for reading instruction using the essential components of reading instruction;

[(iii) ensuring collaboration with departments, programs, or units of a partner institution outside of the teacher preparation program in all academic content areas to ensure that prospective teachers receive training in both teaching and relevant content areas in order to meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act, which may include training in multiple subjects to teach multiple grade levels as may be needed for individuals preparing to teach in rural communities and for individuals preparing to teach students with disabilities;

[(iv) developing and implementing an induction program;

[(v) developing admissions goals and priorities aligned with the hiring objectives of the high-need local educational agency in the eligible partnership; and

[(vi) implementing program and curriculum changes, as applicable, to ensure that prospective teachers have the requisite content knowledge, preparation, and degree to teach Advanced Placement or International Baccalaureate courses successfully.

[(2) CLINICAL EXPERIENCE AND INTERACTION.—Developing and improving a sustained and high-quality preservice clinical education program to further develop the teaching skills of all prospective teachers and, as applicable, early childhood educators, involved in the program. Such program shall do the following:

[(A) Incorporate year-long opportunities for enrichment, including—

[(i) clinical learning in classrooms in high-need schools served by the high-need local educational agency in the eligible partnership, and identified by the eligible partnership; and

[(ii) closely supervised interaction between prospective teachers and faculty, experienced teachers, principals, other administrators, and school leaders at early childhood education programs (as applicable), elementary schools, or secondary schools, and providing support for such interaction.

[(B) Integrate pedagogy and classroom practice and promote effective teaching skills in academic content areas.

[(C) Provide high-quality teacher mentoring.

[(D) Be offered over the course of a program of teacher preparation.

[(E) Be tightly aligned with course work (and may be developed as a fifth year of a teacher preparation program).

[(F) Where feasible, allow prospective teachers to learn to teach in the same local educational agency in which the teachers will work, learning the instructional initiatives and curriculum of that local educational agency.

[(G) As applicable, provide training and experience to enhance the teaching skills of prospective teachers to better prepare such teachers to meet the unique needs of teaching in rural or urban communities.

[(H) Provide support and training for individuals participating in an activity for prospective or new teachers described in this paragraph or paragraph (1) or (3), and for individuals who serve as mentors for such teachers, based on each individual's experience. Such support may include—

[(i) with respect to a prospective teacher or a mentor, release time for such individual's participation;

[(ii) with respect to a faculty member, receiving course workload credit and compensation for time teaching in the eligible partnership's activities; and

[(iii) with respect to a mentor, a stipend, which may include bonus, differential, incentive, or performance pay, based on the mentor's extra skills and responsibilities.

[(3) INDUCTION PROGRAMS FOR NEW TEACHERS.—Creating an induction program for new teachers or, in the case of an early childhood education program, providing mentoring or coaching for new early childhood educators.

[(4) SUPPORT AND TRAINING FOR PARTICIPANTS IN EARLY CHILDHOOD EDUCATION PROGRAMS.—In the case of an eligible partnership focusing on early childhood educator preparation, implementing initiatives that increase compensation for early childhood educators who attain associate or baccalaureate degrees in early childhood education.

[(5) TEACHER RECRUITMENT.—Developing and implementing effective mechanisms (which may include alternative routes to State certification of teachers) to ensure that the eligible partnership is able to recruit qualified individuals to become teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act through the activities of the eligible partnership, which may include an emphasis on recruiting into the teaching profession—

[(A) individuals from under represented populations;

[(B) individuals to teach in rural communities and teacher shortage areas, including mathematics, science, special education, and the instruction of limited English proficient students; and

[(C) mid-career professionals from other occupations, former military personnel, and recent college graduates with a record of academic distinction.

[(6) LITERACY TRAINING.—Strengthening the literacy teaching skills of prospective and, as applicable, new elementary school and secondary school teachers—

[(A) to implement literacy programs that incorporate the essential components of reading instruction;

[(B) to use screening, diagnostic, formative, and summative assessments to determine students' literacy levels, difficulties, and growth in order to improve classroom instruction and improve student reading and writing skills;

[(C) to provide individualized, intensive, and targeted literacy instruction for students with deficiencies in literacy skills; and

[(D) to integrate literacy skills in the classroom across subject areas.

[(e) PARTNERSHIP GRANTS FOR THE ESTABLISHMENT OF TEACHING RESIDENCY PROGRAMS.—

[(1) IN GENERAL.—An eligible partnership receiving a grant to carry out an effective teaching residency program shall carry out a program that includes all of the following activities:

[(A) Supporting a teaching residency program described in paragraph (2) for high-need subjects and areas, as determined by the needs of the high-need local educational agency in the partnership.

[(B) Placing graduates of the teaching residency program in cohorts that facilitate professional collaboration, both among graduates of the teaching residency program and between such graduates and mentor teachers in the receiving school.

[(C) Ensuring that teaching residents who participate in the teaching residency program receive—

[(i) effective preservice preparation as described in paragraph (2);

[(ii) teacher mentoring;

[(iii) support required through the induction program as the teaching residents enter the classroom as new teachers; and

[(iv) the preparation described in subparagraphs (A), (B), and (C) of subsection (d)(2).

[(2) TEACHING RESIDENCY PROGRAMS.—

[(A) ESTABLISHMENT AND DESIGN.—A teaching residency program under this paragraph shall be a program based upon models of successful teaching residencies that serves as a mechanism to prepare teachers for success in the high-need schools in the eligible partnership, and shall be designed to include the following characteristics of successful programs:

[(i) The integration of pedagogy, classroom practice, and teacher mentoring.

[(ii) Engagement of teaching residents in rigorous graduate-level course work leading to a master's degree while undertaking a guided teaching apprenticeship.

[(iii) Experience and learning opportunities alongside a trained and experienced mentor teacher—

[(I) whose teaching shall complement the residency program so that classroom clinical practice is tightly aligned with coursework;

[(II) who shall have extra responsibilities as a teacher leader of the teaching residency program, as a mentor for residents, and as a teacher coach during the induction program for new teachers, and for establishing, within the program, a learning community in which all individuals are expected to continually improve their capacity to advance student learning; and

[(III) who may be relieved from teaching duties as a result of such additional responsibilities.

[(iv) The establishment of clear criteria for the selection of mentor teachers based on measures of teacher effectiveness and the appropriate subject area knowledge. Evaluation of teacher effectiveness shall be

based on, but not limited to, observations of the following:

[(I) Planning and preparation, including demonstrated knowledge of content, pedagogy, and assessment, including the use of formative and diagnostic assessments to improve student learning.

[(II) Appropriate instruction that engages students with different learning styles.

[(III) Collaboration with colleagues to improve instruction.

[(IV) Analysis of gains in student learning, based on multiple measures that are valid and reliable and that, when feasible, may include valid, reliable, and objective measures of the influence of teachers on the rate of student academic progress.

[(V) In the case of mentor candidates who will be mentoring new or prospective literacy and mathematics coaches or instructors, appropriate skills in the essential components of reading instruction, teacher training in literacy instructional strategies across core subject areas, and teacher training in mathematics instructional strategies, as appropriate.

[(v) Grouping of teaching residents in cohorts to facilitate professional collaboration among such residents.

[(vi) The development of admissions goals and priorities—

[(I) that are aligned with the hiring objectives of the local educational agency partnering with the program, as well as the instructional initiatives and curriculum of such agency, in exchange for a commitment by such agency to hire qualified graduates from the teaching residency program; and

[(II) which may include consideration of applicants who reflect the communities in which they will teach as well as consideration of individuals from underrepresented populations in the teaching profession.

[(vii) Support for residents, once the teaching residents are hired as teachers of record, through an induction program, professional development, and networking opportunities to support the residents through not less than the residents' first two years of teaching.

[(B) SELECTION OF INDIVIDUALS AS TEACHER RESIDENTS.—

[(i) ELIGIBLE INDIVIDUAL.—In order to be eligible to be a teacher resident in a teaching residency program under this paragraph, an individual shall—

[(I) be a recent graduate of a four-year institution of higher education or a mid-career professional from outside the field of education pos-

sessing strong content knowledge or a record of professional accomplishment; and

[(II) submit an application to the teaching residency program.

[(ii) SELECTION CRITERIA.—An eligible partnership carrying out a teaching residency program under this subsection shall establish criteria for the selection of eligible individuals to participate in the teaching residency program based on the following characteristics:

[(I) Strong content knowledge or record of accomplishment in the field or subject area to be taught.

[(II) Strong verbal and written communication skills, which may be demonstrated by performance on appropriate tests.

[(III) Other attributes linked to effective teaching, which may be determined by interviews or performance assessments, as specified by the eligible partnership.

[(C) STIPENDS OR SALARIES; APPLICATIONS; AGREEMENTS; REPAYMENTS.—

[(i) STIPENDS OR SALARIES.—A teaching residency program under this subsection shall provide a one-year living stipend or salary to teaching residents during the teaching residency program.

[(ii) APPLICATIONS FOR STIPENDS OR SALARIES.—Each teacher residency candidate desiring a stipend or salary during the period of residency shall submit an application to the eligible partnership at such time, and containing such information and assurances, as the eligible partnership may require.

[(iii) AGREEMENTS TO SERVE.—Each application submitted under clause (ii) shall contain or be accompanied by an agreement that the applicant will—

[(I) serve as a full-time teacher for a total of not less than three academic years immediately after successfully completing the teaching residency program;

[(II) fulfill the requirement under subclause (I) by teaching in a high-need school served by the high-need local educational agency in the eligible partnership and teach a subject or area that is designated as high need by the partnership;

[(III) provide to the eligible partnership a certificate, from the chief administrative officer of the local educational agency in which the resident is employed, of the employment required in subclauses (I) and (II) at the beginning of, and upon completion of, each year or partial year of service;

[(IV) meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals

with Disabilities Education Act, when the applicant begins to fulfill the service obligation under this clause; and

[(IV) meet the requirements to be a highly qualified teacher, as defined in section 9101 of the Elementary and Secondary Education Act of 1965, or section 602 of the Individuals with Disabilities Education Act, when the applicant begins to fulfill the service obligation under this clause; and

[(V) comply with the requirements set by the eligible partnership under clause (iv) if the applicant is unable or unwilling to complete the service obligation required by this clause.

[(iv) REPAYMENTS.—

[(I) IN GENERAL.—A grantee carrying out a teaching residency program under this paragraph shall require a recipient of a stipend or salary under clause (i) who does not complete, or who notifies the partnership that the recipient intends not to complete, the service obligation required by clause (iii) to repay such stipend or salary to the eligible partnership, together with interest, at a rate specified by the partnership in the agreement, and in accordance with such other terms and conditions specified by the eligible partnership, as necessary.

[(II) OTHER TERMS AND CONDITIONS.—Any other terms and conditions specified by the eligible partnership may include reasonable provisions for pro-rata repayment of the stipend or salary described in clause (i) or for deferral of a teaching resident's service obligation required by clause (iii), on grounds of health, incapacitation, inability to secure employment in a school served by the eligible partnership, being called to active duty in the Armed Forces of the United States, or other extraordinary circumstances.

[(III) USE OF REPAYMENTS.—An eligible partnership shall use any repayment received under this clause to carry out additional activities that are consistent with the purposes of this subsection.

[(f) PARTNERSHIP GRANTS FOR THE DEVELOPMENT OF LEADERSHIP PROGRAMS.—

[(1) IN GENERAL.—An eligible partnership that receives a grant under this section may carry out an effective school leadership program, which may be carried out in partnership with a local educational agency located in a rural area and that shall include all of the following activities:

[(A) Preparing individuals enrolled or preparing to enroll in school leadership programs for careers as superintendents, principals, early childhood education program directors, or other school leaders (including individuals preparing to work in local educational agencies located in

rural areas who may perform multiple duties in addition to the role of a school leader).

[(B) Promoting strong leadership skills and, as applicable, techniques for school leaders to effectively—

[(i) create and maintain a data-driven, professional learning community within the leader’s school;

[(ii) provide a climate conducive to the professional development of teachers, with a focus on improving student academic achievement and the development of effective instructional leadership skills;

[(iii) understand the teaching and assessment skills needed to support successful classroom instruction and to use data to evaluate teacher instruction and drive teacher and student learning;

[(iv) manage resources and school time to improve student academic achievement and ensure the school environment is safe;

[(v) engage and involve parents, community members, the local educational agency, businesses, and other community leaders, to leverage additional resources to improve student academic achievement; and

[(vi) understand how students learn and develop in order to increase academic achievement for all students.

[(C) Ensuring that individuals who participate in the school leadership program receive—

[(i) effective preservice preparation as described in subparagraph (D);

[(ii) mentoring; and

[(iii) if applicable, full State certification or licensure to become a school leader.

[(D) Developing and improving a sustained and high-quality preservice clinical education program to further develop the leadership skills of all prospective school leaders involved in the program. Such clinical education program shall do the following:

[(i) Incorporate year-long opportunities for enrichment, including—

[(I) clinical learning in high-need schools served by the high-need local educational agency or a local educational agency located in a rural area in the eligible partnership and identified by the eligible partnership; and

[(II) closely supervised interaction between prospective school leaders and faculty, new and experienced teachers, and new and experienced school leaders, in such high-need schools.

[(ii) Integrate pedagogy and practice and promote effective leadership skills, meeting the unique needs of urban, rural, or geographically isolated communities, as applicable.

[(iii) Provide for mentoring of new school leaders.

[(E) Creating an induction program for new school leaders.

[(F) Developing and implementing effective mechanisms to ensure that the eligible partnership is able to recruit qualified individuals to become school leaders through the activities of the eligible partnership, which may include an emphasis on recruiting into school leadership professions—

[(i) individuals from underrepresented populations;

[(ii) individuals to serve as superintendents, principals, or other school administrators in rural and geographically isolated communities and school leader shortage areas; and

[(iii) mid-career professionals from other occupations, former military personnel, and recent college graduates with a record of academic distinction.

[(2) SELECTION OF INDIVIDUALS FOR THE LEADERSHIP PROGRAM.—In order to be eligible for the school leadership program under this subsection, an individual shall be enrolled in or preparing to enroll in an institution of higher education, and shall—

[(A) be a—

[(i) recent graduate of an institution of higher education;

[(ii) mid-career professional from outside the field of education with strong content knowledge or a record of professional accomplishment;

[(iii) current teacher who is interested in becoming a school leader; or

[(iv) school leader who is interested in becoming a superintendent; and

[(B) submit an application to the leadership program.

[(g) PARTNERSHIP WITH DIGITAL EDUCATION CONTENT DEVELOPER.—An eligible partnership that receives a grant under this section may use grant funds provided to carry out the activities described in subsection (d) or (e), or both, to partner with a television public broadcast station, as defined in section 397(6) of the Communications Act of 1934 (47 U.S.C. 397(6)), or another entity that develops digital educational content, for the purpose of improving the quality of pre-baccalaureate teacher preparation programs or to enhance the quality of preservice training for prospective teachers.

[(h) EVALUATION AND REPORTING.—The Secretary shall—

[(1) evaluate the programs assisted under this section; and

[(2) make publicly available a report detailing the Secretary's evaluation of each such program.

[(i) CONSULTATION.—

[(1) IN GENERAL.—Members of an eligible partnership that receives a grant under this section shall engage in regular consultation throughout the development and implementation of programs and activities carried out under this section.

[(2) REGULAR COMMUNICATION.—To ensure timely and meaningful consultation as described in paragraph (1), regular communication shall occur among all members of the eligible partnership, including the high-need local educational agency. Such communication shall continue throughout the implementation of the grant and the assessment of programs and activities under this section.

[(3) WRITTEN CONSENT.—The Secretary may approve changes in grant activities of a grant under this section only if the eligible partnership submits to the Secretary a written consent to such changes signed by all members of the eligible partnership.

[(j) CONSTRUCTION.—Nothing in this section shall be construed to prohibit an eligible partnership from using grant funds to coordinate with the activities of eligible partnerships in other States or on a regional basis through Governors, State boards of education, State educational agencies, State agencies responsible for early childhood education, local educational agencies, or State agencies for higher education.

[(k) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this section shall be used to supplement, and not supplant, other Federal, State, and local funds that would otherwise be expended to carry out activities under this section.

[SEC. 203. ADMINISTRATIVE PROVISIONS.]

[(a) DURATION; NUMBER OF AWARDS; PAYMENTS.—

[(1) DURATION.—A grant awarded under this part shall be awarded for a period of five years.

[(2) NUMBER OF AWARDS.—An eligible partnership may not receive more than one grant during a five-year period. Nothing in this title shall be construed to prohibit an individual member, that can demonstrate need, of an eligible partnership that receives a grant under this title from entering into another eligible partnership consisting of new members and receiving a grant with such other eligible partnership before the five-year period described in the preceding sentence applicable to the eligible partnership with which the individual member has first partnered has expired.

[(b) PEER REVIEW.—

[(1) PANEL.—The Secretary shall provide the applications submitted under this part to a peer review panel for evaluation. With respect to each application, the peer review panel shall initially recommend the application for funding or for disapproval.

[(2) PRIORITY.—The Secretary, in funding applications under this part, shall give priority—

[(A) to eligible partnerships that include an institution of higher education whose teacher preparation program has a rigorous selection process to ensure the highest quality of students entering such program; and

[(B)(i) to applications from broad-based eligible partnerships that involve businesses and community organizations; or

[(ii) to eligible partnerships so that the awards promote an equitable geographic distribution of grants among rural and urban areas.

[(3) SECRETARIAL SELECTION.—The Secretary shall determine, based on the peer review process, which applications shall receive funding and the amounts of the grants. In determining grant amounts, the Secretary shall take into account the total amount of funds available for all grants under this part and the types of activities proposed to be carried out by the eligible partnership.

[(c) MATCHING REQUIREMENTS.—

[(1) IN GENERAL.—Each eligible partnership receiving a grant under this part shall provide, from non-Federal sources, an amount equal to 100 percent of the amount of the grant, which may be provided in cash or in-kind, to carry out the activities supported by the grant.

[(2) WAIVER.—The Secretary may waive all or part of the matching requirement described in paragraph (1) for any fiscal year for an eligible partnership if the Secretary determines that applying the matching requirement to the eligible partnership would result in serious hardship or an inability to carry out the authorized activities described in this part.

[(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—An eligible partnership that receives a grant under this part may use not more than two percent of the funds provided to administer the grant.

[SEC. 204. ACCOUNTABILITY AND EVALUATION.

[(a) ELIGIBLE PARTNERSHIP EVALUATION.—Each eligible partnership submitting an application for a grant under this part shall establish, and include in such application, an evaluation plan that includes strong and measurable performance objectives. The plan shall include objectives and measures for increasing—

[(1) achievement for all prospective and new teachers, as measured by the eligible partnership;

[(2) teacher retention in the first three years of a teacher's career;

[(3) improvement in the pass rates and scaled scores for initial State certification or licensure of teachers; and

[(4)(A) the percentage of teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(14)(C)), hired by the high-need local educational agency participating in the eligible partnership;

[(B) the percentage of teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(14)(C)), hired by the high-need local educational agency who are members of underrepresented groups;

[(C) the percentage of teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(14)(C)), hired by the high-need local educational agency who teach high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages and critical foreign languages);

[(D) the percentage of teachers who meet the applicable State certification and licensure requirements, including any require-

ments for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(14)(C)), hired by the high-need local educational agency who teach in high-need areas (including special education, language instruction educational programs for limited English proficient students, and early childhood education);

[(E) the percentage of teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(14)(C)), hired by the high-need local educational agency who teach in high-need schools, disaggregated by the elementary school and secondary school levels;

[(F) as applicable, the percentage of early childhood education program classes in the geographic area served by the eligible partnership taught by early childhood educators who are highly competent; and

[(G) as applicable, the percentage of teachers trained—

[(i) to integrate technology effectively into curricula and instruction, including technology consistent with the principles of universal design for learning; and

[(ii) to use technology effectively to collect, manage, and analyze data to improve teaching and learning for the purpose of improving student academic achievement.

[(b) INFORMATION.—An eligible partnership receiving a grant under this part shall ensure that teachers, principals, school superintendents, faculty, and leadership at institutions of higher education located in the geographic areas served by the eligible partnership are provided information, including through electronic means, about the activities carried out with funds under this part.

[(c) REVISED APPLICATION.—If the Secretary determines that an eligible partnership receiving a grant under this part is not making substantial progress in meeting the purposes, goals, objectives, and measures of the grant, as appropriate, by the end of the third year of a grant under this part, then the Secretary—

[(1) shall cancel the grant; and

[(2) may use any funds returned or available because of such cancellation under paragraph (1) to—

[(A) increase other grant awards under this part; or

[(B) award new grants to other eligible partnerships under this part.

[(d) EVALUATION AND DISSEMINATION.—The Secretary shall evaluate the activities funded under this part and report the findings regarding the evaluation of such activities to the authorizing committees. The Secretary shall broadly disseminate—

[(1) successful practices developed by eligible partnerships under this part; and

[(2) information regarding such practices that were found to be ineffective.

[SEC. 205. ACCOUNTABILITY FOR PROGRAMS THAT PREPARE TEACHERS.

[(a) INSTITUTIONAL AND PROGRAM REPORT CARDS ON THE QUALITY OF TEACHER PREPARATION.—

[(1) REPORT CARD.—Each institution of higher education that conducts a traditional teacher preparation program or alternative routes to State certification or licensure program and that enrolls students receiving Federal assistance under this Act shall report annually to the State and the general public, in a uniform and comprehensible manner that conforms with the definitions and methods established by the Secretary, the following:

[(A) GOALS AND ASSURANCES.—

[(i) For the most recent year for which the information is available for the institution—

[(I) whether the goals set under section 206 have been met; and

[(II) a description of the activities the institution implemented to achieve such goals.

[(ii) A description of the steps the institution is taking to improve its performance in meeting the annual goals set under section 206.

[(iii) A description of the activities the institution has implemented to meet the assurances provided under section 206.

[(B) PASS RATES AND SCALED SCORES.—For the most recent year for which the information is available for those students who took the assessments used for teacher certification or licensure by the State in which the program is located and are enrolled in the traditional teacher preparation program or alternative routes to State certification or licensure program, and for those who have taken such assessments and have completed the traditional teacher preparation program or alternative routes to State certification or licensure program during the two-year period preceding such year, for each of such assessments—

[(i) the percentage of students who have completed 100 percent of the nonclinical coursework and taken the assessment who pass such assessment;

[(ii) the percentage of all students who passed such assessment;

[(iii) the percentage of students who have taken such assessment who enrolled in and completed the traditional teacher preparation program or alternative routes to State certification or licensure program, as applicable;

[(iv) the average scaled score for all students who took such assessment;

[(v) a comparison of the program's pass rates with the average pass rates for programs in the State; and

[(vi) a comparison of the program's average scaled scores with the average scaled scores for programs in the State.

[(C) PROGRAM INFORMATION.—A description of—

[(i) the criteria for admission into the program;

[(ii) the number of students in the program (disaggregated by race, ethnicity, and gender);

[(iii) the average number of hours of supervised clinical experience required for those in the program;

[(iv) the number of full-time equivalent faculty and students in the supervised clinical experience; and

[(v) the total number of students who have been certified or licensed as teachers, disaggregated by subject and area of certification or licensure.

[(D) STATEMENT.—In States that require approval or accreditation of teacher preparation programs, a statement of whether the institution's program is so approved or accredited, and by whom.

[(E) DESIGNATION AS LOW-PERFORMING.—Whether the program has been designated as low-performing by the State under section 207(a).

[(F) USE OF TECHNOLOGY.—A description of the activities, including activities consistent with the principles of universal design for learning, that prepare teachers to integrate technology effectively into curricula and instruction, and to use technology effectively to collect, manage, and analyze data in order to improve teaching and learning for the purpose of increasing student academic achievement.

[(G) TEACHER TRAINING.—A description of the activities that prepare general education and special education teachers to teach students with disabilities effectively, including training related to participation as a member of individualized education program teams, as defined in section 614(d)(1)(B) of the Individuals with Disabilities Education Act, and to effectively teach students who are limited English proficient.

[(2) REPORT.—Each eligible partnership receiving a grant under section 202 shall report annually on the progress of the eligible partnership toward meeting the purposes of this part and the objectives and measures described in section 204(a).

[(3) FINES.—The Secretary may impose a fine not to exceed \$27,500 on an institution of higher education for failure to provide the information described in this subsection in a timely or accurate manner.

[(4) SPECIAL RULE.—In the case of an institution of higher education that conducts a traditional teacher preparation program or alternative routes to State certification or licensure program and has fewer than 10 scores reported on any single initial teacher certification or licensure assessment during an academic year, the institution shall collect and publish information, as required under paragraph (1)(B), with respect to an average pass rate and scaled score on each State certification or licensure assessment taken over a three-year period.

[(b) STATE REPORT CARD ON THE QUALITY OF TEACHER PREPARATION.—

[(1) IN GENERAL.—Each State that receives funds under this Act shall provide to the Secretary, and make widely available to the general public, in a uniform and comprehensible manner that conforms with the definitions and methods established by

the Secretary, an annual State report card on the quality of teacher preparation in the State, both for traditional teacher preparation programs and for alternative routes to State certification or licensure programs, which shall include not less than the following:

【(A) A description of the reliability and validity of the teacher certification and licensure assessments, and any other certification and licensure requirements, used by the State.

【(B) The standards and criteria that prospective teachers must meet to attain initial teacher certification or licensure and to be certified or licensed to teach particular academic subjects, areas, or grades within the State.

【(C) A description of how the assessments and requirements described in subparagraph (A) are aligned with the challenging State academic standards required under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 and, as applicable, State early learning standards for early childhood education programs.

【(D) For each of the assessments used by the State for teacher certification or licensure—

【(i) for each institution of higher education located in the State and each entity located in the State, including those that offer an alternative route for teacher certification or licensure, the percentage of students at such institution or entity who have completed 100 percent of the nonclinical coursework and taken the assessment who pass such assessment;

【(ii) the percentage of all such students at all such institutions and entities who have taken the assessment who pass such assessment;

【(iii) the percentage of students who have taken the assessment who enrolled in and completed a teacher preparation program; and

【(iv) the average scaled score of individuals participating in such a program, or who have completed such a program during the two-year period preceding the first year for which the annual State report card is provided, who took each such assessment.

【(E) A description of alternative routes to teacher certification or licensure in the State (including any such routes operated by entities that are not institutions of higher education), if any, including, for each of the assessments used by the State for teacher certification or licensure—

【(i) the percentage of individuals participating in such routes, or who have completed such routes during the two-year period preceding the date for which the determination is made, who passed each such assessment; and

【(ii) the average scaled score of individuals participating in such routes, or who have completed such routes during the two-year period preceding the first year for which the annual State report card is provided, who took each such assessment.

[(F) A description of the State's criteria for assessing the performance of teacher preparation programs within institutions of higher education in the State. Such criteria shall include indicators of the academic content knowledge and teaching skills of students enrolled in such programs.

[(G) For each teacher preparation program in the State—

[(i) the criteria for admission into the program;

[(ii) the number of students in the program, disaggregated by race, ethnicity, and gender (except that such disaggregation shall not be required in a case in which the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student);

[(iii) the average number of hours of supervised clinical experience required for those in the program; and

[(iv) the number of full-time equivalent faculty, adjunct faculty, and students in supervised clinical experience.

[(H) For the State as a whole, and for each teacher preparation program in the State, the number of teachers prepared, in the aggregate and reported separately by—

[(i) area of certification or licensure;

[(ii) academic major; and

[(iii) subject area for which the teacher has been prepared to teach.

[(I) A description of the extent to which teacher preparation programs are addressing shortages of teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act, by area of certification or licensure, subject, and specialty, in the State's public schools.

[(J) The extent to which teacher preparation programs prepare teachers, including general education and special education teachers, to teach students with disabilities effectively, including training related to participation as a member of individualized education program teams, as defined in section 614(d)(1)(B) of the Individuals with Disabilities Education Act.

[(K) A description of the activities that prepare teachers to—

[(i) integrate technology effectively into curricula and instruction, including activities consistent with the principles of universal design for learning; and

[(ii) use technology effectively to collect, manage, and analyze data to improve teaching and learning for the purpose of increasing student academic achievement.

[(L) The extent to which teacher preparation programs prepare teachers, including general education and special

education teachers, to effectively teach students who are limited English proficient.

[(2) PROHIBITION AGAINST CREATING A NATIONAL LIST.—The Secretary shall not create a national list or ranking of States, institutions, or schools using the scaled scores provided under this subsection.

[(c) DATA QUALITY.—The Secretary shall prescribe regulations to ensure the reliability, validity, integrity, and accuracy of the data submitted pursuant to this section.

[(d) REPORT OF THE SECRETARY ON THE QUALITY OF TEACHER PREPARATION.—

[(1) REPORT CARD.—The Secretary shall annually provide to the authorizing committees, and publish and make widely available, a report card on teacher qualifications and preparation in the United States, including all the information reported in subparagraphs (A) through (L) of subsection (b)(1). Such report shall identify States for which eligible partnerships received a grant under this part.

[(2) REPORT TO CONGRESS.—The Secretary shall prepare and submit a report to the authorizing committees that contains the following:

[(A) A comparison of States' efforts to improve the quality of the current and future teaching force.

[(B) A comparison of eligible partnerships' efforts to improve the quality of the current and future teaching force.

[(C) The national mean and median scaled scores and pass rate on any standardized test that is used in more than one State for teacher certification or licensure.

[(3) SPECIAL RULE.—In the case of a teacher preparation program with fewer than ten scores reported on any single initial teacher certification or licensure assessment during an academic year, the Secretary shall collect and publish, and make publicly available, information with respect to an average pass rate and scaled score on each State certification or licensure assessment taken over a three-year period.

[(e) COORDINATION.—The Secretary, to the extent practicable, shall coordinate the information collected and published under this part among States for individuals who took State teacher certification or licensure assessments in a State other than the State in which the individual received the individual's most recent degree.

[SEC. 206. TEACHER DEVELOPMENT.

[(a) ANNUAL GOALS.—Each institution of higher education that conducts a traditional teacher preparation program (including programs that offer any ongoing professional development programs) or alternative routes to State certification or licensure program, and that enrolls students receiving Federal assistance under this Act, shall set annual quantifiable goals for increasing the number of prospective teachers trained in teacher shortage areas designated by the Secretary or by the State educational agency, including mathematics, science, special education, and instruction of limited English proficient students.

[(b) ASSURANCES.—Each institution described in subsection (a) shall provide assurances to the Secretary that—

[(1) training provided to prospective teachers responds to the identified needs of the local educational agencies or States

where the institution's graduates are likely to teach, based on past hiring and recruitment trends;

[(2) training provided to prospective teachers is closely linked with the needs of schools and the instructional decisions new teachers face in the classroom;

[(3) prospective special education teachers receive course work in core academic subjects and receive training in providing instruction in core academic subjects;

[(4) general education teachers receive training in providing instruction to diverse populations, including children with disabilities, limited English proficient students, and children from low-income families; and

[(5) prospective teachers receive training on how to effectively teach in urban and rural schools, as applicable.

[(c) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to require an institution to create a new teacher preparation area of concentration or degree program or adopt a specific curriculum in complying with this section.

[SEC. 207. STATE FUNCTIONS.

[(a) **STATE ASSESSMENT.**—In order to receive funds under this Act, a State shall conduct an assessment to identify low-performing teacher preparation programs in the State and to assist such programs through the provision of technical assistance. Each such State shall provide the Secretary with an annual list of low-performing teacher preparation programs and an identification of those programs at risk of being placed on such list, as applicable. Such assessment shall be described in the report under section 205(b). Levels of performance shall be determined solely by the State and may include criteria based on information collected pursuant to this part, including progress in meeting the goals of—

[(1) increasing the percentage of teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act, in the State, including increasing professional development opportunities;

[(2) improving student academic achievement for elementary and secondary students; and

[(3) raising the standards for entry into the teaching profession.

[(b) **TERMINATION OF ELIGIBILITY.**—Any teacher preparation program from which the State has withdrawn the State's approval, or terminated the State's financial support, due to the low performance of the program based upon the State assessment described in subsection (a)—

[(1) shall be ineligible for any funding for professional development activities awarded by the Department;

[(2) may not be permitted to accept or enroll any student who receives aid under title IV in the institution's teacher preparation program;

[(3) shall provide transitional support, including remedial services if necessary, for students enrolled at the institution at

the time of termination of financial support or withdrawal of approval; and

[(4) shall be reinstated upon demonstration of improved performance, as determined by the State.

[(c) NEGOTIATED RULEMAKING.—If the Secretary develops any regulations implementing subsection (b)(2), the Secretary shall submit such proposed regulations to a negotiated rulemaking process, which shall include representatives of States, institutions of higher education, and educational and student organizations.

[(d) APPLICATION OF THE REQUIREMENTS.—The requirements of this section shall apply to both traditional teacher preparation programs and alternative routes to State certification and licensure programs.

[SEC. 208. GENERAL PROVISIONS.

[(a) METHODS.—In complying with sections 205 and 206, the Secretary shall ensure that States and institutions of higher education use fair and equitable methods in reporting and that the reporting methods do not reveal personally identifiable information.

[(b) SPECIAL RULE.—For each State that does not use content assessments as a means of ensuring that all teachers teaching in core academic subjects within the State meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, in accordance with the State plan submitted or revised under section 1111 of such Act, and that each person employed as a special education teacher in the State who teaches elementary school or secondary school meets the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act, the Secretary shall—

[(1) to the extent practicable, collect data comparable to the data required under this part from States, local educational agencies, institutions of higher education, or other entities that administer such assessments to teachers or prospective teachers; and

[(2) notwithstanding any other provision of this part, use such data to carry out requirements of this part related to assessments, pass rates, and scaled scores.

[(c) RELEASE OF INFORMATION TO TEACHER PREPARATION PROGRAMS.—

[(1) IN GENERAL.—For the purpose of improving teacher preparation programs, a State that receives funds under this Act, or that participates as a member of a partnership, consortium, or other entity that receives such funds, shall provide to a teacher preparation program, upon the request of the teacher preparation program, any and all pertinent education-related information that—

[(A) may enable the teacher preparation program to evaluate the effectiveness of the program's graduates or the program itself; and

[(B) is possessed, controlled, or accessible by the State.

[(2) CONTENT OF INFORMATION.—The information described in paragraph (1)—

[(A) shall include an identification of specific individuals who graduated from the teacher preparation program to enable the teacher preparation program to evaluate the in-

formation provided to the program from the State with the program's own data about the specific courses taken by, and field experiences of, the individual graduates; and

[(B) may include—

[(i) kindergarten through grade 12 academic achievement and demographic data, without revealing personally identifiable information about an individual student, for students who have been taught by graduates of the teacher preparation program; and

[(ii) teacher effectiveness evaluations for teachers who graduated from the teacher preparation program.

[SEC. 209. AUTHORIZATION OF APPROPRIATIONS.

[(There are authorized to be appropriated to carry out this part \$300,000,000 for fiscal year 2009 and such sums as may be necessary for each of the two succeeding fiscal years.

[PART B—ENHANCING TEACHER EDUCATION

[SEC. 230. AUTHORIZATION OF APPROPRIATIONS.

[(There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[Subpart 1—Preparing Teachers for Digital Age Learners

[SEC. 231. PROGRAM AUTHORIZED.

[(a) PROGRAM AUTHORITY.—The Secretary is authorized to award grants to, or enter into contracts or cooperative agreements with, eligible consortia to pay the Federal share of the costs of projects to—

[(1) assist in the graduation of teacher candidates who are prepared to use modern information, communication, and learning tools to—

[(A) improve student learning, assessment, and learning management; and

[(B) help students develop learning skills to succeed in higher education and to enter the workforce;

[(2) strengthen and develop partnerships among the stakeholders in teacher preparation to transform teacher education and ensure technology-rich teaching and learning environments throughout a teacher candidate's preservice education, including clinical experiences; and

[(3) assess the effectiveness of departments, schools, and colleges of education at institutions of higher education in preparing teacher candidates for successful implementation of technology-rich teaching and learning environments, including environments consistent with the principles of universal design for learning, that enable kindergarten through grade 12 students to develop learning skills to succeed in higher education and to enter the workforce.

[(b) AMOUNT AND DURATION.—A grant, contract, or cooperative agreement under this subpart—

[(1) shall be for not more than \$2,000,000;

[(2) shall be for a three-year period; and

[(3) may be renewed for one additional year.

[(c) NON-FEDERAL SHARE REQUIREMENT.—The Federal share of the cost of any project funded under this subpart shall not exceed 75 percent. The non-Federal share of the cost of such project may be provided in cash or in kind, fairly evaluated, including services.

[(d) DEFINITION OF ELIGIBLE CONSORTIUM.—In this subpart, the term “eligible consortium” means a consortium of members that includes the following:

[(1) Not less than one institution of higher education that awards baccalaureate or masters degrees and prepares teachers for initial entry into teaching.

[(2) Not less than one State educational agency or local educational agency.

[(3) A department, school, or college of education at an institution of higher education.

[(4) A department, school, or college of arts and sciences at an institution of higher education.

[(5) Not less than one entity with the capacity to contribute to the technology-related reform of teacher preparation programs, which may be a professional association, foundation, museum, library, for-profit business, public or private nonprofit organization, community-based organization, or other entity.

[SEC. 232. USES OF FUNDS.

[(a) IN GENERAL.—An eligible consortium that receives a grant or enters into a contract or cooperative agreement under this subpart shall use funds made available under this subpart to carry out a project that—

[(1) develops long-term partnerships among members of the consortium that are focused on effective teaching with modern digital tools and content that substantially connect preservice preparation of teacher candidates with high-need schools; or

[(2) transforms the way departments, schools, and colleges of education teach classroom technology integration, including the principles of universal design, to teacher candidates.

[(b) USES OF FUNDS FOR PARTNERSHIP GRANTS.—In carrying out a project under subsection (a)(1), an eligible consortium shall—

[(1) provide teacher candidates, early in their preparation, with field experiences with technology in educational settings;

[(2) build the skills of teacher candidates to support technology-rich instruction, assessment and learning management in content areas, technology literacy, an understanding of the principles of universal design, and the development of other skills for entering the workforce;

[(3) provide professional development in the use of technology for teachers, administrators, and content specialists who participate in field placement;

[(4) provide professional development of technology pedagogical skills for faculty of departments, schools, and colleges of education and arts and sciences;

[(5) implement strategies for the mentoring of teacher candidates by members of the consortium with respect to technology implementation;

[(6) evaluate teacher candidates during the first years of teaching to fully assess outcomes of the project;

[(7) build collaborative learning communities for technology integration within the consortium to sustain meaningful applications of technology in the classroom during teacher preparation and early career practice; and

[(8) evaluate the effectiveness of the project.

[(c) USES OF FUNDS FOR TRANSFORMATION GRANTS.—In carrying out a project under subsection (a)(2), an eligible consortium shall—

[(1) redesign curriculum to require collaboration between the department, school, or college of education faculty and the department, school, or college of arts and sciences faculty who teach content or methods courses for training teacher candidates;

[(2) collaborate between the department, school, or college of education faculty and the department, school, or college of arts and science faculty and academic content specialists at the local educational agency to educate preservice teachers who can integrate technology and pedagogical skills in content areas;

[(3) collaborate between the department, school, or college of education faculty and the department, school, or college of arts and sciences faculty who teach courses to preservice teachers to—

[(A) develop and implement a plan for preservice teachers and continuing educators that demonstrates effective instructional strategies and application of such strategies in the use of digital tools to transform the teaching and learning process; and

[(B) better reach underrepresented preservice teacher populations with programs that connect such preservice teacher populations with applications of technology;

[(4) collaborate among faculty and students to create and disseminate case studies of technology applications in classroom settings with a goal of improving student academic achievement in high-need schools;

[(5) provide additional technology resources for preservice teachers to plan and implement technology applications in classroom settings that provide evidence of student learning; and

[(6) bring together expertise from departments, schools, or colleges of education, arts and science faculty, and academic content specialists at the local educational agency to share and disseminate technology applications in the classroom through teacher preparation and into early career practice.

[SEC. 233. APPLICATION REQUIREMENTS.

[To be eligible to receive a grant or enter into a contract or cooperative agreement under this subpart, an eligible consortium shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Such application shall include the following:

[(1) A description of the project to be carried out with the grant, including how the project will—

[(A) develop a long-term partnership focused on effective teaching with modern digital tools and content that substantially connects preservice preparation of teacher candidates with high-need schools; or

[(B) transform the way departments, schools, and colleges of education teach classroom technology integration, including the principles of universal design, to teacher candidates.

[(2) A demonstration of—

[(A) the commitment, including the financial commitment, of each of the members of the consortium for the proposed project; and

[(B) the support of the leadership of each organization that is a member of the consortium for the proposed project.

[(3) A description of how each member of the consortium will participate in the project.

[(4) A description of how the State educational agency or local educational agency will incorporate the project into the agency's technology plan, if such a plan already exists.

[(5) A description of how the project will be continued after Federal funds are no longer available under this subpart for the project.

[(6) A description of how the project will incorporate—

[(A) State teacher technology standards; and

[(B) State student technology standards.

[(7) A plan for the evaluation of the project, which shall include benchmarks to monitor progress toward specific project objectives.

[SEC. 234. EVALUATION.

[Not less than ten percent of the funds awarded to an eligible consortium to carry out a project under this subpart shall be used to evaluate the effectiveness of such project.

**[Subpart 2—Honorable Augustus F. Hawkins
Centers of Excellence**

[SEC. 241. DEFINITIONS.

[In this subpart:

[(1) ELIGIBLE INSTITUTION.—The term “eligible institution” means—

[(A) an institution of higher education that has a teacher preparation program that is a qualified teacher preparation program and that is—

[(i) a part B institution (as defined in section 322);

[(ii) a Hispanic-serving institution (as defined in section 502);

[(iii) a Tribal College or University (as defined in section 316);

[(iv) an Alaska Native-serving institution (as defined in section 317(b));

[(v) a Native Hawaiian-serving institution (as defined in section 317(b));

[(vi) a Predominantly Black Institution (as defined in section 318);

[(vii) an Asian American and Native American Pacific Islander-serving institution (as defined in section 320(b)); or

[(viii) a Native American-serving, nontribal institution (as defined in section 319);

[(B) a consortium of institutions described in subparagraph (A); or

[(C) an institution described in subparagraph (A), or a consortium described in subparagraph (B), in partnership with any other institution of higher education, but only if the center of excellence established under section 242 is located at an institution described in subparagraph (A).

[(2) SCIENTIFICALLY BASED READING RESEARCH.—The term “scientifically based reading research”—

[(A) means research that applies rigorous, systemic, and objective procedures to obtain valid knowledge relevant to reading development, reading instruction, and reading difficulties; and

[(B) includes research that—

[(i) employs systemic, empirical methods that draw on observation or experiment;

[(ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

[(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

[(iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.

[SEC. 242. AUGUSTUS F. HAWKINS CENTERS OF EXCELLENCE.

[(a) PROGRAM AUTHORIZED.—From the amounts appropriated to carry out this part, the Secretary is authorized to award competitive grants to eligible institutions to establish centers of excellence.

[(b) USE OF FUNDS.—Grants provided by the Secretary under this subpart shall be used to ensure that current and future teachers meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act, by carrying out one or more of the following activities:

[(1) Implementing reforms within teacher preparation programs to ensure that such programs are preparing teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act, are able to understand scientifically valid research, and are able to use advanced technology effectively in the classroom, including use of instructional techniques to improve student academic achievement, by—

[(A) retraining or recruiting faculty; and

[(B) designing (or redesigning) teacher preparation programs that—

[(i) prepare teachers to serve in low-performing schools and close student achievement gaps, and that are based on rigorous academic content, scientifically valid research (including scientifically based reading research and mathematics research, as it becomes available), and challenging State academic content standards and student academic achievement standards; and

[(ii) promote strong teaching skills.

[(2) Providing sustained and high-quality preservice clinical experience, including the mentoring of prospective teachers by exemplary teachers, substantially increasing interaction between faculty at institutions of higher education and new and experienced teachers, principals, and other administrators at elementary schools or secondary schools, and providing support, including preparation time, for such interaction.

[(3) Developing and implementing initiatives to promote retention of teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act, and highly qualified principals, including minority teachers and principals, including programs that provide—

[(A) teacher or principal mentoring from exemplary teachers or principals, respectively; or

[(B) induction and support for teachers and principals during their first three years of employment as teachers or principals, respectively.

[(4) Awarding scholarships based on financial need to help students pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program, not to exceed the cost of attendance.

[(5) Disseminating information on effective practices for teacher preparation and successful teacher certification and licensure assessment preparation strategies.

[(6) Activities authorized under section 202.

[(c) APPLICATION.—Any eligible institution desiring a grant under this subpart shall submit an application to the Secretary at such a time, in such a manner, and accompanied by such information as the Secretary may require.

[(d) MINIMUM GRANT AMOUNT.—The minimum amount of each grant under this subpart shall be \$500,000.

[(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—An eligible institution that receives a grant under this subpart may use not more than two percent of the funds provided to administer the grant.

[(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this subpart.

[Subpart 3—Preparing General Education Teachers to More Effectively Educate Students with Disabilities

[SEC. 251. TEACH TO REACH GRANTS.

[(a) AUTHORIZATION OF PROGRAM.—

[(1) IN GENERAL.—The Secretary is authorized to award grants, on a competitive basis, to eligible partnerships to improve the preparation of general education teacher candidates to ensure that such teacher candidates possess the knowledge and skills necessary to effectively instruct students with disabilities in general education classrooms.

[(2) DURATION OF GRANTS.—A grant under this section shall be awarded for a period of not more than five years.

[(3) NON-FEDERAL SHARE.—An eligible partnership that receives a grant under this section shall provide not less than 25 percent of the cost of the activities carried out with such grant from non-Federal sources, which may be provided in cash or in kind.

[(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In this section, the term “eligible partnership” means a partnership that—

[(1) shall include—

[(A) one or more departments or programs at an institution of higher education—

[(i) that prepare elementary or secondary general education teachers;

[(ii) that have a program of study that leads to an undergraduate degree, a master’s degree, or completion of a postbaccalaureate program required for teacher certification; and

[(iii) the graduates of which meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act;

[(B) a department or program of special education at an institution of higher education;

[(C) a department or program at an institution of higher education that provides degrees in core academic subjects; and

[(D) a high-need local educational agency; and

[(2) may include a department or program of mathematics, earth or physical science, foreign language, or another department at the institution that has a role in preparing teachers.

[(c) ACTIVITIES.—An eligible partnership that receives a grant under this section—

[(1) shall use the grant funds to—

[(A) develop or strengthen an undergraduate, postbaccalaureate, or master’s teacher preparation program by integrating special education strategies into the general education curriculum and academic content;

[(B) provide teacher candidates participating in the program under subparagraph (A) with skills related to—

[(i) response to intervention, positive behavioral interventions and supports, differentiated instruction, and data driven instruction;

[(ii) universal design for learning;

[(iii) determining and utilizing accommodations for instruction and assessments;

[(iv) collaborating with special educators, related services providers, and parents, including participation in individualized education program development and implementation; and

[(v) appropriately utilizing technology and assistive technology for students with disabilities; and

[(C) provide extensive clinical experience for participants described in subparagraph (B) with mentoring and induction support throughout the program that continues during the first two years of full-time teaching; and

[(2) may use grant funds to develop and administer alternate assessments of students with disabilities.

[(d) APPLICATION.—An eligible partnership seeking a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Such application shall include—

[(1) a self-assessment by the eligible partnership of the existing teacher preparation program at the institution of higher education and needs related to preparing general education teacher candidates to instruct students with disabilities; and

[(2) an assessment of the existing personnel needs for general education teachers who instruct students with disabilities, performed by the local educational agency in which most graduates of the teacher preparation program are likely to teach after completion of the program under subsection (c)(1).

[(e) PEER REVIEW.—The Secretary shall convene a peer review committee to review applications for grants under this section and to make recommendations to the Secretary regarding the selection of grantees. Members of the peer review committee shall be recognized experts in the fields of special education, teacher preparation, and general education and shall not be in a position to benefit financially from any grants awarded under this section.

[(f) EVALUATIONS.—

[(1) BY THE PARTNERSHIP.—

[(A) IN GENERAL.—An eligible partnership receiving a grant under this section shall conduct an evaluation at the end of the grant period to determine—

[(i) the effectiveness of the general education teachers who completed a program under subsection (c)(1) with respect to instruction of students with disabilities in general education classrooms; and

[(ii) the systemic impact of the activities carried out by such grant on how each institution of higher education that is a member of the partnership prepares teachers for instruction in elementary schools and secondary schools.

[(B) REPORT TO THE SECRETARY.—Each eligible partnership performing an evaluation under subparagraph (A) shall report the findings of such evaluation to the Secretary.

[(2) REPORT BY THE SECRETARY.—Not later than 180 days after the last day of the grant period under this section, the Secretary shall make available to Congress and the public the findings of the evaluations submitted under paragraph (1), and information on best practices related to effective instruction of students with disabilities in general education classrooms.

[Subpart 4—Adjunct Teacher Corps

[SEC. 255. ADJUNCT TEACHER CORPS.

[(a) PURPOSE.—The purpose of this section is to create opportunities for professionals and other individuals with subject matter expertise in mathematics, science, or critical foreign languages to provide such subject matter expertise to secondary school students on an adjunct basis.

[(b) PROGRAM AUTHORIZED.—The Secretary is authorized to award grants on a competitive basis to eligible entities to identify, recruit, and train qualified individuals with subject matter expertise in mathematics, science, or critical foreign languages to serve as adjunct content specialists.

[(c) DURATION OF GRANTS.—The Secretary may award grants under this section for a period of not more than five years.

[(d) ELIGIBLE ENTITY.—In this section, the term “eligible entity” means—

[(1) a local educational agency; or

[(2) a partnership consisting of a local educational agency, serving as a fiscal agent, and a public or private educational organization or business.

[(e) USES OF FUNDS.—An eligible entity that receives a grant under this section is authorized to use such grant to carry out one or both of the following activities:

[(1) To develop the capacity of the eligible entity to identify, recruit, and train individuals with subject matter expertise in mathematics, science, or critical foreign languages who are not employed in the elementary and secondary education system (including individuals in business and government, and individuals who would participate through distance-learning arrangements) to become adjunct content specialists.

[(2) To provide preservice training and on-going professional development to adjunct content specialists.

[(f) APPLICATIONS.—

[(1) APPLICATION REQUIRED.—An eligible entity that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

[(2) CONTENTS.—An application submitted under paragraph (1) shall include—

[(A) a description of—

[(i) the need for, and expected benefits of using, adjunct content specialists in the schools served by the local educational agency, which may include informa-

tion on the difficulty the local educational agency faces in recruiting qualified faculty in mathematics, science, and critical foreign language courses;

[(ii) measurable objectives for the activities supported by the grant, including the number of adjunct content specialists the eligible entity intends to place in schools and classrooms, and the gains in academic achievement expected as a result of the addition of such specialists;

[(iii) how the eligible entity will establish criteria for and recruit the most qualified individuals and public or private organizations and businesses to participate in the activities supported by the grant;

[(iv) how the eligible entity will provide preservice training and on-going professional development to adjunct content specialists to ensure that such specialists have the capacity to serve effectively;

[(v) how the eligible entity will use funds received under this section, including how the eligible entity will evaluate the success of the activities supported by the grant; and

[(vi) how the eligible entity will support and continue the activities supported by the grant after the grant has expired, including how such entity will seek support from other sources, such as State and local government and the private sector; and

[(B) an assurance that the use of adjunct content specialists will not result in the displacement or transfer of currently employed teachers nor a reduction in the number of overall teachers in the district.

[(g) PRIORITIES.—In awarding grants under this section, the Secretary shall give priority to eligible entities that demonstrate in the application for such a grant a plan to—

[(1) serve the schools served by the local educational agency that have a large number or percentage of students performing below grade level in mathematics, science, or critical foreign language courses;

[(2) serve local educational agencies that have a large number or percentage of students from low-income families; and

[(3) recruit and train individuals to serve as adjunct content specialists in schools that have an insufficient number of teachers in mathematics, science, or critical foreign languages.

[(h) MATCHING REQUIREMENT.—Each eligible entity that receives a grant under this section shall provide, from non-Federal sources, an amount equal to 100 percent of the amount of such grant (in cash or in kind) to carry out the activities supported by such grant.

[(i) PERFORMANCE REPORT.—Each eligible entity receiving a grant under this section shall prepare and submit to the Secretary a final report on the results of the activities supported by such grant, which shall contain such information as the Secretary may require, including any improvements in student academic achievement as a result of the use of adjunct content specialists.

[(j) EVALUATION.—The Secretary shall evaluate the activities supported by grants under this section, including the impact of

such activities on student academic achievement, and shall report the results of such evaluation to the authorizing committees.

[(k) DEFINITION.—In this section, the term “adjunct content specialist” means an individual who—

[(1) meets the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act;

[(2) has demonstrated expertise in mathematics, science, or a critical foreign language, as determined by the local educational agency; and

[(3) is not the primary provider of instructional services to a student, unless the adjunct content specialist is under the direct supervision of a teacher who meets the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act.

[Subpart 5—Graduate Fellowships to Prepare Faculty in High-Need Areas at Colleges of Education

[SEC. 258. GRADUATE FELLOWSHIPS TO PREPARE FACULTY IN HIGH-NEED AREAS AT COLLEGES OF EDUCATION.

[(a) GRANTS BY SECRETARY.—The Secretary shall make grants to eligible institutions to enable such institutions to make graduate fellowship awards to qualified individuals in accordance with the provisions of this section.

[(b) ELIGIBLE INSTITUTIONS.—In this section, the term “eligible institution” means an institution of higher education, or a consortium of such institutions, that offers a program of postbaccalaureate study leading to a doctoral degree.

[(c) APPLICATIONS.—An eligible institution that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

[(d) TYPES OF FELLOWSHIPS SUPPORTED.—

[(1) IN GENERAL.—An eligible institution that receives a grant under this section shall use the grant funds to provide graduate fellowships to individuals who are preparing for the professorate in order to prepare individuals to become elementary school and secondary school mathematics and science teachers, special education teachers, and teachers who provide instruction for limited English proficient students, who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act.

[(2) TYPES OF STUDY.—A graduate fellowship provided under this section shall support an individual in pursuing postbaccalaureate study, which leads to a doctoral degree and may include a master's degree as part of such study, related to teacher preparation and pedagogy in one of the following areas:

[(A) Science, technology, engineering, or mathematics, if the individual has completed a master's degree in mathematics or science and is pursuing a doctoral degree in mathematics, science, or education.

[(B) Special education.

[(C) The instruction of limited English proficient students, including postbaccalaureate study in language instruction educational programs.

[(e) FELLOWSHIP TERMS AND CONDITIONS.—

[(1) SELECTION OF FELLOWS.—The Secretary shall ensure that an eligible institution that receives a grant under this section—

[(A) shall provide graduate fellowship awards to individuals who plan to pursue a career in instruction at an institution of higher education that has a teacher preparation program; and

[(B) may not provide a graduate fellowship to an otherwise eligible individual—

[(i) during periods in which such individual is enrolled at an institution of higher education unless such individual is maintaining satisfactory academic progress in, and devoting full-time study or research to, the pursuit of the degree for which the fellowship support was provided; or

[(ii) if the individual is engaged in gainful employment, other than part-time employment related to teaching, research, or a similar activity determined by the institution to be consistent with and supportive of the individual's progress toward the degree for which the fellowship support was provided.

[(2) AMOUNT OF FELLOWSHIP AWARDS.—

[(A) IN GENERAL.—An eligible institution that receives a grant under this section shall award stipends to individuals who are provided graduate fellowships under this section.

[(B) AWARDS BASED ON NEED.—A stipend provided under this section shall be in an amount equal to the level of support provided by the National Science Foundation graduate fellowships, except that such stipend shall be adjusted as necessary so as not to exceed the fellowship recipient's demonstrated need, as determined by the institution of higher education where the fellowship recipient is enrolled.

[(3) SERVICE REQUIREMENT.—

[(A) TEACHING REQUIRED.—Each individual who receives a graduate fellowship under this section and earns a doctoral degree shall teach for one year at an institution of higher education that has a teacher preparation program

for each year of fellowship support received under this section.

[(B) INSTITUTIONAL OBLIGATION.—Each eligible institution that receives a grant under this section shall provide an assurance to the Secretary that the institution has inquired of and determined the decision of each individual who has received a graduate fellowship to, within three years of receiving a doctoral degree, begin employment at an institution of higher education that has a teacher preparation program, as required by this section.

[(C) AGREEMENT REQUIRED.—Prior to receiving an initial graduate fellowship award, and upon the annual renewal of the graduate fellowship award, an individual selected to receive a graduate fellowship under this section shall sign an agreement with the Secretary agreeing to pursue a career in instruction at an institution of higher education that has a teacher preparation program in accordance with subparagraph (A).

[(D) FAILURE TO COMPLY.—If an individual who receives a graduate fellowship award under this section fails to comply with the agreement signed pursuant to subparagraph (C), the sum of the amounts of any graduate fellowship award received by such recipient shall, upon a determination of such a failure, be treated as a Federal Direct Unsubsidized Stafford Loan under part D of title IV, and shall be subject to repayment, together with interest thereon accruing from the date of the fellowship award, in accordance with terms and conditions specified by the Secretary in regulations under this subpart.

[(E) MODIFIED SERVICE REQUIREMENT.—The Secretary may waive or modify the service requirement of this paragraph in accordance with regulations promulgated by the Secretary with respect to the criteria to determine the circumstances under which compliance with such service requirement is inequitable or represents a substantial hardship. The Secretary may waive the service requirement if compliance by the fellowship recipient is determined to be inequitable or represent a substantial hardship—

[(i) because the individual is permanently and totally disabled at the time of the waiver request; or

[(ii) based on documentation presented to the Secretary of substantial economic or personal hardship.

[(f) INSTITUTIONAL SUPPORT FOR FELLOWS.—An eligible institution that receives a grant under this section may reserve not more than ten percent of the grant amount for academic and career transition support for graduate fellowship recipients and for meeting the institutional obligation described in subsection (e)(3)(B).

[(g) RESTRICTION ON USE OF FUNDS.—An eligible institution that receives a grant under this section may not use grant funds for general operational overhead of the institution.

[PART C—GENERAL PROVISIONS

ISEC. 261. LIMITATIONS.

[(a) FEDERAL CONTROL PROHIBITED.—Nothing in this title shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to prohibit private, religious, or home schools from participation in programs or services under this title.]

[(b) NO CHANGE IN STATE CONTROL ENCOURAGED OR REQUIRED.—Nothing in this title shall be construed to encourage or require any change in a State's treatment of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law.]

[(c) NATIONAL SYSTEM OF TEACHER CERTIFICATION OR LICENSURE PROHIBITED.—Nothing in this title shall be construed to permit, allow, encourage, or authorize the Secretary to establish or support any national system of teacher certification or licensure.]

[(d) RULE OF CONSTRUCTION.—Nothing in this title shall be construed to alter or otherwise affect the rights, remedies, and procedures afforded to the employees of local educational agencies under Federal, State, or local laws (including applicable regulations or court orders) or under the terms of collective bargaining agreements, memoranda of understanding, or other agreements between such employees and their employers.]

TITLE II—EXPANDING ACCESS TO IN- DEMAND APPRENTICESHIPS

SEC. 201. APPRENTICESHIP GRANT PROGRAM.

(a) *PURPOSE.*—*The purpose of this section is to expand student access to, and participation in, new industry-led earn-and-learn programs leading to high-wage, high-skill, and high-demand careers.*

(b) *AUTHORIZATION OF APPRENTICESHIP GRANT PROGRAM.*—

(1) *IN GENERAL.*—*From the amounts authorized under subsection (j), the Secretary shall award grants, on a competitive basis, to eligible partnerships for the purpose described in subsection (a).*

(2) *DURATION.*—*The Secretary shall award grants under this section for a period of—*

(A) *not less than 1 year; and*

(B) *not more than 4 years.*

(3) *LIMITATIONS.*—

(A) *AMOUNT.*—*A grant awarded under this section may not be in an amount greater than \$1,500,000.*

(B) *NUMBER OF AWARDS.*—*An eligible partnership or member of such partnership may not be awarded more than one grant under this section.*

(C) *ADMINISTRATION COSTS.*—*An eligible partnership awarded a grant under this section may not use more than 5 percent of the grant funds to pay administrative costs associated with activities funded by the grant.*

(c) *MATCHING FUNDS.*—To receive a grant under this section, an eligible partnership shall, through cash or in-kind contributions, provide matching funds from non-Federal sources in an amount equal to or greater than 50 percent of the amount of such grant.

(d) *APPLICATIONS.*—

(1) *IN GENERAL.*—To receive a grant under this section, an eligible partnership shall submit to the Secretary at such a time as the Secretary may require, an application that—

(A) identifies and designates the business or institution of higher education responsible for the administration and supervision of the earn-and-learn program for which such grant funds would be used;

(B) identifies the businesses and institutions of higher education that comprise the eligible partnership;

(C) identifies the source and amount of the matching funds required under subsection (c);

(D) identifies the number of students who will participate and complete the relevant earn-and-learn program within 1 year of the expiration of the grant;

(E) identifies the amount of time, not to exceed 2 years, required for students to complete the program;

(F) identifies the relevant recognized postsecondary credential to be awarded to students who complete the program;

(G) identifies the anticipated earnings of students—

(i) 1 year after program completion; and

(ii) 3 years after program completion;

(H) describes the specific project for which the application is submitted, including a summary of the relevant classroom and paid structured on-the-job training students will receive;

(I) describes how the eligible partnership will finance the program after the end of the grant period;

(J) describes how the eligible partnership will support the collection of information and data for purposes of the program evaluation required under subsection (h); and

(K) describes the alignment of the program with State identified in-demand industry sectors.

(2) *APPLICATION REVIEW PROCESS.*—

(A) *REVIEW PANEL.*—Applications submitted under paragraph (1) shall be read by a panel of readers composed of individuals selected by the Secretary. The Secretary shall assure that an individual assigned under this paragraph does not have a conflict of interest with respect to the applications reviewed by such individual.

(B) *COMPOSITION OF REVIEW PANEL.*—The panel of reviewers selected by the Secretary under subparagraph (A) shall be comprised as follows:

(i) A majority of the panel shall be individuals who are representative of businesses, which may include owners, executives with optimum hiring authority, or individuals representing business organizations or business trade associations.

(ii) The remainder of the panel shall be equally divided between individuals who are—

(I) representatives of institutions of higher education that offer programs of two years or less; and
 (II) representatives of State workforce development boards established under section 101 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3111).

(C) *REVIEW OF APPLICATIONS.*—The Secretary shall instruct the review panel selected by the Secretary under paragraph (2)(A) to evaluate applications using only the criteria specified in paragraph (1) and make recommendations with respect to—

- (i) the quality of the applications;
- (ii) whether a grant should be awarded for a project under this title; and
- (iii) the amount and duration of such grant.

(D) *NOTIFICATION.*—Not later than June 30 of each year, the Secretary shall notify each eligible partnership submitting an application under this section of—

- (i) the scores given the applicant by the panel pursuant to this section;
- (ii) the recommendations of the panel with respect to such application; and
- (iii) the reasons for the decision of the Secretary in awarding or refusing to award a grant under this section; and
- (iv) modifications, if any, in the recommendations of the panel made to the Secretary.

(e) *AWARD BASIS.*—The Secretary shall award grants under this section on the following basis—

- (1) the number of participants to be served by the grant;
- (2) the anticipated income of program participants in relation to the regional median income;
- (3) the alignment of the program with State-identified in-demand industry sectors; and
- (4) the recommendations of the readers under subsection (d)(2)(C).

(f) *USE OF FUNDS.*—Grant funds provided under this section may be used for—

- (1) the purchase of appropriate equipment, technology, or instructional material, aligned with business and industry needs, including machinery, testing equipment, hardware and software;
- (2) student books, supplies, and equipment required for enrollment;
- (3) the reimbursement of up to 50 percent of the wages of a student participating in an earn-and-learn program receiving a grant under this section;
- (4) the development of industry-specific programing;
- (5) supporting the transition of industry-based professionals from an industry setting to an academic setting;
- (6) industry-recognized certification exams or other assessments leading to a recognized postsecondary credential associated with the earn-and-learn program; and
- (7) any fees associated with the certifications or assessments described in paragraph (6).

(g) *TECHNICAL ASSISTANCE.*—The Secretary may provide technical assistance to eligible partnerships awarded under this section throughout the grant period for purposes of grant management.

(h) *EVALUATION.*—

(1) *IN GENERAL.*—From the amounts made available under subsection (j), the Secretary, acting through the Director of the Institute for Education Sciences, shall provide for the independent evaluation of the grant program established under this section that includes the following:

(A) An assessment of the effectiveness of the grant program in expanding earn-and-learn program opportunities offered by employers in conjunction with institutions of higher education.

(B) The number of students who participated in programs assisted under this section.

(C) The percentage of students participating in programs assisted under this section who successfully completed the program in the time described in subsection (d)(1)(E).

(D) The median earnings of program participants—

(i) 1 year after exiting the program; and

(ii) 3 years after exiting the program.

(E) The percentage of students participating in programs assisted under this section who successfully receive a recognized postsecondary credential.

(F) The number of students served by programs receiving funding under this section—

(i) 2 years after the end of the grant period;

(ii) 4 years after the end of the grant period.

(2) *PROHIBITION.*—Notwithstanding any other provision of law, the evaluation required by this subsection shall not be subject to any review outside the Institute for Education Sciences before such reports are submitted to Congress and the Secretary.

(3) *PUBLICATION.*—The evaluation required by this subsection shall be made publicly available on the website of the Department.

(i) *DEFINITIONS.*—In this section:

(1) *EARN-AND-LEARN PROGRAM.*—The term “earn-and-learn program” means an education program, including an apprenticeship program, that provides students with structured, sustained, and paid on-the-job training and accompanying, for credit, classroom instruction that—

(A) is for a period of between 3 months and 2 years; and

(B) leads to, on completion of the program, a recognized postsecondary credential.

(2) *ELIGIBLE PARTNERSHIP.*—The term “eligible partnership” shall mean a consortium that includes—

(A) 1 or more businesses; and

(B) 1 or more institutions of higher education.

(3) *IN-DEMAND INDUSTRY SECTOR OR OCCUPATION.*—The term “in-demand industry sector or occupation” has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

(4) *ON-THE-JOB TRAINING.*—The term “on-the-job training” has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

(5) *RECOGNIZED POSTSECONDARY CREDENTIAL.*—The term “recognized postsecondary credential” has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

(j) *AUTHORIZATION OF APPROPRIATIONS.*—There are authorized to be appropriated to carry out this section \$183,204,000 for fiscal year 2019 and each of the 5 succeeding fiscal years.

TITLE III—INSTITUTIONAL AID

* * * * *

PART A—STRENGTHENING *Minority-serving* Institutions

SEC. 311. PROGRAM PURPOSE.

(a) *GENERAL AUTHORIZATION.*—The Secretary shall carry out a program, in accordance with this part, to improve the academic quality, institutional management, and fiscal stability of eligible institutions, in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation.

[(b) *GRANTS AWARDED; SPECIAL CONSIDERATION.*—(1) From the sums available for this part under section 399(a)(1), the Secretary may award grants to any eligible institution with an application approved under section 391 in order to assist such an institution to plan, develop, or implement activities that promise to strengthen the institution.

[(2) Special consideration shall be given to any eligible institution—

[(A) which has endowment funds (other than any endowment fund built under section 332 of this Act as in effect on September 30, 1986, and under part B) the market value of which, per full-time equivalent student, is less than the average current market value of the endowment funds, per full-time equivalent student (other than any endowment fund built under section 332 of this Act as in effect on September 30, 1986, and under part B) at similar institutions; or

[(B) which has expenditures per full-time equivalent student for library materials which is less than the average of the expenditures for library materials per full-time equivalent student by other similarly situated institutions.

[(3) Special consideration shall be given to applications which propose, pursuant to the institution’s plan, to engage in—

[(A) faculty development;

[(B) funds and administrative management;

[(C) development and improvement of academic programs;

[(D) acquisition of equipment for use in strengthening funds management and academic programs;

[(E) joint use of facilities such as libraries and laboratories; and

[(F) student services, including services that will assist in the education of special populations.]

[(c)] (b) AUTHORIZED ACTIVITIES.—Grants awarded under this section shall be used for 1 or more of the following activities:

(1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

(2) Construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities, including the integration of computer technology into institutional facilities to create smart buildings.

(3) Support of faculty exchanges, faculty development, and faculty fellowships to assist in attaining advanced degrees in the field of instruction of the faculty.

(4) Development and improvement of academic programs.

(5) Purchase of library books, periodicals, and other educational materials, including telecommunications program material.

[(6) Tutoring, counseling, and student service programs designed to improve academic success, including innovative, customized, instruction courses designed to help retain students and move the students rapidly into core courses and through program completion, which may include remedial education and English language instruction.]

(6) Tutoring, counseling, advising, and student service programs designed to improve academic success, including innovative and customized instructional courses (which may include remedial education and English language instruction) designed to help retain students and move the students rapidly into core courses and through program completion.

(7) Education or counseling services designed to improve the financial literacy and economic literacy of students or the students' families.

(8) Funds management, administrative management, and [acquisition of equipment for use in strengthening funds management] *acquisition of technology, services, and equipment for use in strengthening funds and administrative management.*

(9) Joint use of facilities, such as laboratories and libraries.

(10) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

(11) Establishing or improving an endowment fund.

(12) [Creating or improving facilities for Internet or other distance education technologies,] *Innovative learning models and creating or improving facilities for Internet or other innovative technologies,* including purchase or rental of telecommunications technology equipment or services.

(13) Establishing community outreach programs that will encourage elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education.

(14) The development, coordination, implementation, or improvement of career and technical education programs as defined in section 135 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2355).

(15) *Alignment and integration of career and technical education programs with programs of study leading to a bachelor's degree, graduate degree, or professional degree.*

(16) *Developing or expanding access to dual or concurrent enrollment programs and early college high school programs.*

(17) *Pay for success initiatives that improve time to completion and increase graduation rates.*

[(13)] (18) Other activities proposed in the application submitted pursuant to subsection (b) and section 391 that—

(A) contribute to carrying out the purposes of the program assisted under this part; and

(B) are approved by the Secretary as part of the review and acceptance of such application.

[(d)] (c) ENDOWMENT FUND.—

(1) IN GENERAL.—An eligible institution may use not more than 20 percent of the grant funds provided under this part to establish or increase an endowment fund at such institution.

(2) MATCHING REQUIREMENT.—In order to be eligible to use grant funds in accordance with paragraph (1), the eligible institution shall provide matching funds from non-Federal sources, in an amount equal to or greater than the Federal funds used in accordance with paragraph (1), for the establishment or increase of the endowment fund.

(3) COMPARABILITY.—The provisions of part C, regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this subsection, shall apply to funds used under paragraph (1).

(4) SCHOLARSHIP.—*An institution that uses grant funds provided under this part to establish or increase an endowment fund may use the income from such endowment fund to provide scholarships to students for the purposes of attending such institution, subject to the limitation in section 331(c)(3)(B)(i).*

SEC. 312. DEFINITIONS; ELIGIBILITY.

(a) EDUCATIONAL AND GENERAL EXPENDITURES.—For the purpose of this part, the term “educational and general expenditures” means the total amount expended by an institution of higher education for instruction, research, public service, academic support (including library expenditures), student services, institutional support, scholarships and fellowships, operation and maintenance expenditures for the physical plant, and any mandatory [transfers which the institution] *transfers that the institution* is required to pay by law.

(b) ELIGIBLE INSTITUTION.—For the purpose of this part, the term “eligible institution” means—

(1) an institution of higher education—

(A) which has an enrollment of needy students as required by subsection (d);

(B) except as provided in section 392(b), the average educational and general expenditures of which are low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditures per full-time equivalent undergraduate student of institutions that offer similar instruction;

(C) which is—

(i) legally authorized to provide, and provides within the State, an educational program for which such institution awards a bachelor's degree;

(ii) a junior or community college; or

(iii) the College of the Marshall Islands, the College of Micronesia/Federated States of Micronesia, and Palau Community College;

(D) which is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be reliable authority as to the quality of training offered or which is, according to such an agency or association, making reasonable progress toward accreditation;

~~[(F)]~~ (E) located in a State (as defined in section 103(20)(A)); and

~~[(E)]~~ (F) which meets such other requirements as the Secretary may prescribe; ~~[and]~~

(2) any branch of any institution of higher education described under paragraph (1) which by itself satisfies the requirements contained in subparagraphs (A) and (B) of such paragraph~~...~~; and

(3) *except as provided in section 392(b), an institution that has a completion rate of at least 25 percent that is calculated by counting a student as completed if that student—*

(A) graduates within 150 percent of the normal time for completion; or

(B) enrolled into another program at an institution for which the previous program provided substantial preparation within 150 percent of the normal time for completion.

For purposes of the determination of whether an institution is an eligible institution under this paragraph, the factor described under paragraph (1)(A) shall be given twice the weight of the factor described under paragraph (1)(B).

(c) ENDOWMENT FUND.—For the purpose of this part, the term “endowment fund” means a fund that—

(1) is established by State law, by an institution of higher education, or by a foundation that is exempt from Federal income taxation;

(2) is maintained for the purpose of generating income for the support of the institution; and

(3) does not include real estate.

(d) ENROLLMENT OF NEEDY STUDENTS.—Except as provided in section 318(b), for the purpose of this part, the term “enrollment of needy students” means an enrollment at an institution of higher education or a junior or community college which includes—

(1) at least 50 percent of the degree students so enrolled who are receiving need-based assistance under title IV of this Act in the second fiscal year preceding the fiscal year for which the determination is being made (other than loans for which an interest subsidy is paid pursuant to section 428), or

(2) a substantial percentage of students receiving Pell Grants in the second fiscal year preceding the fiscal year for which determination is being made, in comparison with the percentage of students receiving Pell Grants at all such institutions in the second fiscal year preceding the fiscal year for which the deter-

mination is made, unless the requirement of this paragraph is waived under section 392(a).

(e) **FULL-TIME EQUIVALENT STUDENTS.**—For the purpose of this part, the term “full-time equivalent students” means the sum of the number of students enrolled full time at an institution, plus the full-time equivalent of the number of students enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by 12) at such institution.

(f) **JUNIOR OR COMMUNITY COLLEGE.**—For the purpose of this part, the term “junior or community college” means an institution of higher education—

(1) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

(2) that does not provide an educational program for which it awards a bachelor’s degree (or an equivalent degree); and

(3) that—

(A) provides an educational program of not less than 2 years that is acceptable for full credit toward such a degree, or

(B) offers a 2-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

(g) **LOW-INCOME INDIVIDUAL.**—For the purpose of this part, the term “low-income individual” means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.

(h) **HISTORICALLY BLACK COLLEGE OR UNIVERSITY.**—For the purposes of this section, no historically black college or university which is eligible for and receives funds under part B of this title is eligible for or may receive funds under this part.

SEC. 313. DURATION OF GRANT.

(a) **AWARD PERIOD.**—The Secretary may award a grant to an eligible institution under this part **[for 5 years]** *for a period of 5 years. Any funds awarded under this section that are not expended or used for the purposes for which the funds were paid within 10 years following the date on which the grant was awarded, shall be repaid to the Treasury.*

(b) **LIMITATIONS.**—In awarding grants under this part the Secretary shall give priority to applicants who are not already receiving a grant under this part, except that for the purpose of this subsection a grant under subsection (c) and a grant under section 394(a)(1) shall not be considered a grant under this part.

(c) **PLANNING GRANTS.**—Notwithstanding subsection (a), the Secretary may award a grant to an eligible institution under this part for a period of one year for the purpose of preparation of plans and applications for a grant under this part.

[(d) WAIT-OUT-PERIOD.—Each eligible institution that received a grant under this part for a 5-year period shall not be eligible to re-

ceive an additional grant under this part until 2 years after the date on which the 5-year grant period terminates.】

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SEC. 316. AMERICAN INDIAN TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.

(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Tribal Colleges and Universities to enable such institutions to improve and expand their capacity to serve Indian students.

(b) DEFINITIONS.—In this section:

(1) INDIAN.—The term “Indian” has the meaning given the term in section 2 of the Tribally Controlled Colleges and Universities Assistance Act of 1978.

(2) INDIAN TRIBE.—The term “Indian tribe” has the meaning given the term in section 2 of the Tribally Controlled Colleges and Universities Assistance Act of 1978.

(3) TRIBAL COLLEGE OR UNIVERSITY.—The term “Tribal College or University” means an institution that—

(A) qualifies for funding under the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or the Navajo Community College Act (25 U.S.C. 640a note); or

(B) is cited in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note).

(4) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” means an institution of higher education as defined in section 101(a), except that paragraph (2) of such section shall not apply.

(c) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Grants awarded under this section shall be used by Tribal Colleges or Universities to assist such institutions to plan, develop, undertake, and carry out activities to improve and expand such institutions’ capacity to serve Indian students.

(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—The activities described in paragraph (1) may include—

【(A) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;】

(A) *the activities described in paragraphs (1) through (12) and (14) through (17) of section 311(b);*

(B) construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services, and the acquisition of real property adjacent to the campus of the institution on which to construct such facilities;

(C) support of faculty exchanges, faculty development, and faculty fellowships to assist in attaining advanced degrees in the faculty’s field of instruction or in tribal governance or tribal public policy;

(D) academic instruction in disciplines in which Indians are underrepresented and instruction in tribal governance or tribal public policy;

[(E) purchase of library books, periodicals, and other educational materials, including telecommunications program material;

[(F) tutoring, counseling, and student service programs designed to improve academic success;

[(G) education or counseling services designed to improve the financial literacy and economic literacy of students or the students' families;

[(H) funds management, administrative management, and acquisition of equipment for use in strengthening funds management;

[(I) joint use of facilities, such as laboratories and libraries;

[(J) establishing or improving a development office to strengthen or improve contributions from alumni and the private sector;]

[(K) (E) establishing or enhancing a program of teacher education designed to qualify students to teach in elementary schools or secondary schools, with a particular emphasis on teaching Indian children and youth, that shall include, as part of such program, preparation for teacher certification;

[(L) (F) establishing community outreach programs that encourage Indian elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education;

[(M) developing or improving facilities for Internet use or other distance education technologies; and]

[(N) (G) other activities proposed in the application submitted pursuant to subsection (d) that—

(i) contribute to carrying out the activities described in subparagraphs (A) through [(M)] (F); and

(ii) are approved by the Secretary as part of the review and acceptance of such application.

[(3) ENDOWMENT FUND.—

[(A) IN GENERAL.—A Tribal College or University may use not more than 20 percent of the grant funds provided under this section to establish or increase an endowment fund at the institution.

[(B) MATCHING REQUIREMENT.—In order to be eligible to use grant funds in accordance with subparagraph (A), the Tribal College or University shall provide matching funds, in an amount equal to the Federal funds used in accordance with subparagraph (A), for the establishment or increase of the endowment fund.

[(C) COMPARABILITY.—The provisions of part C regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this paragraph, shall apply to funds used under subparagraph (A).]

(3) *ENDOWMENT FUND.—A Tribal College or University seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).*

(d) APPLICATION, PLAN, AND ALLOCATION.—

(1) INSTITUTIONAL ELIGIBILITY.—To be eligible to receive assistance under this section, a Tribal College or University shall be an eligible institution under section 312(b).

[(2) APPLICATION.—

[(A) IN GENERAL.—A Tribal College or University desiring to receive assistance under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

[(B) STREAMLINED PROCESS.—The Secretary shall establish application requirements in such a manner as to simplify and streamline the process for applying for grants under this section.]

(2) APPLICATION.—A Tribal College or University desiring to receive assistance under this section shall submit an application to the Secretary pursuant to section 391.

(3) AWARDS AND ALLOCATIONS TO INSTITUTIONS.—

(A) CONSTRUCTION GRANTS.—

(i) IN GENERAL.—Of the amount appropriated to carry out this section for any fiscal year, the Secretary may reserve 30 percent for the purpose of awarding one-year grants of not less than \$1,000,000 to address construction, maintenance, and renovation needs at eligible institutions.

(ii) PREFERENCE.—In providing grants under clause (i) for any fiscal year, the Secretary shall give preference to eligible institutions that have not received an award under this section for a previous fiscal year.

(B) ALLOTMENT OF REMAINING FUNDS.—

(i) IN GENERAL.—Except as provided in clause (ii), the Secretary shall distribute the remaining funds appropriated for any fiscal year to each eligible institution as follows:

(I) 60 percent of the remaining appropriated funds shall be distributed among the eligible Tribal Colleges and Universities on a pro rata basis, based on the respective Indian student counts (as defined in section 2(a) of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801(a)) of the Tribal Colleges and Universities.

(II) The remaining 40 percent shall be distributed in equal shares to the eligible Tribal Colleges and Universities.

(ii) MINIMUM GRANT.—The amount distributed to a Tribal College or University under clause (i) shall not be less than \$500,000.

(4) SPECIAL RULES.—

(A) CONCURRENT FUNDING.—No Tribal College or University that receives funds under this section shall concurrently receive funds under any other provision of this part, part B, or [part A of] title V.

(B) EXEMPTION.—Section [313(d)] 312(b)(3) shall not apply to institutions that are eligible to receive funds under this section.

SEC. 317. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING INSTITUTIONS.

(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Alaska Native-serving institutions and Native Hawaiian-serving institutions to enable such institutions to improve and expand their capacity to serve Alaska Natives and Native Hawaiians.

(b) DEFINITIONS.—For the purpose of this section—

(1) the term “Alaska Native” has the meaning given the term in section 6306 of the Elementary and Secondary Education Act of 1965;

(2) the term “Alaska Native-serving institution” means an institution of higher education that—

(A) is an eligible institution under section 312(b); and

(B) at the time of application, has an enrollment of undergraduate students that is at least 20 percent Alaska Native students;

(3) the term “Native Hawaiian” has the meaning given the term in section 6207 of the Elementary and Secondary Education Act of 1965; and

(4) the term “Native Hawaiian-serving institution” means an institution of higher education which—

(A) is an eligible institution under section 312(b); and

(B) at the time of application, has an enrollment of undergraduate students that is at least 10 percent Native Hawaiian students.

(c) AUTHORIZED ACTIVITIES.—

(1) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this section shall be used by Alaska Native-serving institutions and Native Hawaiian-serving institutions to assist such institutions to plan, develop, undertake, and carry out activities to improve and expand such institutions’ capacity to serve Alaska Natives or Native Hawaiians.

[(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—

[(A) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

[(B) renovation and improvement in classroom, library, laboratory, and other instructional facilities;

[(C) support of faculty exchanges, and faculty development and faculty fellowships to assist in attaining advanced degrees in the faculty’s field of instruction;

[(D) curriculum development and academic instruction;

[(E) purchase of library books, periodicals, microfilm, and other educational materials;

[(F) funds and administrative management, and acquisition of equipment for use in strengthening funds management;

[(G) joint use of facilities such as laboratories and libraries;

[(H) academic tutoring and counseling programs and student support services; and

【(I) education or counseling services designed to improve the financial literacy and economic literacy of students or the students' families.】

(2) *EXAMPLES OF AUTHORIZED ACTIVITIES.*—Such programs may include—

(A) the activities described in paragraphs (1) through (17) of section 311(b); and

(B) other activities proposed in the application submitted pursuant to subsection (d) that—

(i) contribute to carrying out the purpose of this section; and

(ii) are approved by the Secretary as part of the review and approval of an application submitted under subsection (d).

(3) *ENDOWMENT FUND.*—An Alaska Native-serving institution and Native Hawaiian-serving institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).

(d) *APPLICATION PROCESS.*—

【(1) *INSTITUTIONAL ELIGIBILITY.*—Each Alaska Native-serving institution and Native Hawaiian-serving institution desiring to receive assistance under this section shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is an Alaska Native-serving institution or a Native Hawaiian-serving institution as defined in subsection (b), along with such other information and data as the Secretary may by regulation require.】

【(2)】 (1) *APPLICATIONS.*—Any institution which is determined by the Secretary to be an Alaska Native-serving institution or a Native Hawaiian-serving institution may submit an application for assistance under this section to the Secretary pursuant to section 391. 【The Secretary shall, to the extent possible, prescribe a simplified and streamlined format for such applications that takes into account the limited number of institutions that are eligible for assistance under this section. Such application shall include—】

(A) a 5-year plan for improving the assistance provided by the Alaska Native-serving institution or the Native Hawaiian-serving institution to Alaska Native or Native Hawaiian students; and

(B) such other information and assurance as the Secretary may require.

【(3)】 (2) *SPECIAL RULES.*—

(A) *ELIGIBILITY.*—No Alaskan Native-serving institution or Native Hawaiian-serving institution that receives funds under this section shall concurrently receive funds under other provisions of 【this part or part B.】 *this part, part B, or title V.*

【(B) *EXEMPTION.*—Section 313(d) shall not apply to institutions that are eligible to receive funds under this section.】

【(C)】 (B) *DISTRIBUTION.*—In awarding grants under this section, the Secretary shall, to the extent possible and consistent with the competitive process under which such

grants are awarded, ensure maximum and equitable distribution among all eligible institutions.

SEC. 318. PREDOMINANTLY BLACK INSTITUTIONS.

(a) **PURPOSE.**—It is the purpose of this section to assist Predominantly Black Institutions in expanding educational opportunity through a program of Federal assistance.

(b) **DEFINITIONS.**—In this section:

(1) **ELIGIBLE INSTITUTION.**—The term “eligible institution” means an institution of higher education that—

(A) has an enrollment of needy undergraduate students;

(B) has an average educational and general expenditure that is low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditure per full-time equivalent undergraduate student of institutions that offer similar instruction, except that the Secretary may apply the waiver requirements described in section 392(b) to this subparagraph in the same manner as the Secretary applies the waiver requirements to section 312(b)(1)(B);

(C) has an enrollment of undergraduate students that is not less than 40 percent Black American students;

(D) is legally authorized to provide, and provides, within the State an educational program for which the institution of higher education awards a baccalaureate degree or, in the case of a junior or community college, an associate’s degree;

(E) is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation; **[and]**

(F) is not receiving assistance under—

(i) part B;

(ii) **[part A of]** title V; or

(iii) an annual authorization of appropriations under the Act of March 2, 1867 (14 Stat. 438; 20 U.S.C. 123)**[.]**; *and*

(G) is an eligible institution under section 312(b).

(2) **ENROLLMENT OF NEEDY STUDENTS.**—The term “enrollment of needy students” means the enrollment at an eligible institution with respect to which not less than 50 percent of the undergraduate students enrolled in an academic program leading to a degree—

(A) in the second fiscal year preceding the fiscal year for which the determination is made, were Federal Pell Grant recipients for such year;

(B) come from families that receive benefits under a means-tested Federal benefit program;

(C) attended a public or nonprofit private secondary school that—

(i) is in the school district of a local educational agency that was eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 for any year during which the student attended such secondary school; and

(ii) for the purpose of this paragraph and for such year of attendance, was determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children meeting a measure of poverty under section 1113(a)(5) of such Act exceeds 30 percent of the total enrollment of such school; or

(D) are first-generation college students and a majority of such first-generation college students are low-income individuals.

(3) **FIRST-GENERATION COLLEGE STUDENT.**—The term “first-generation college student” has the meaning given the term in section 402A(h).

(4) **LOW-INCOME INDIVIDUAL.**—The term “low-income individual” has the meaning given such term in section 402A(h).

(5) **MEANS-TESTED FEDERAL BENEFIT PROGRAM.**—The term “means-tested Federal benefit program” means a program of the Federal Government, other than a program under title IV, in which eligibility for the program’s benefits, or the amount of such benefits, are determined on the basis of income or resources of the individual or family seeking the benefit.

(6) **PREDOMINANTLY BLACK INSTITUTION.**—The term “Predominantly Black Institution” means an institution of higher education, as defined in section 101(a)—

(A) that is an eligible institution with not less than 1,000 undergraduate students;

(B) at which not less than 50 percent of the undergraduate students enrolled at the eligible institution are low-income individuals or first-generation college students; and

(C) at which not less than 50 percent of the undergraduate students are enrolled in an educational program leading to a bachelor’s or associate’s degree that the eligible institution is licensed to award by the State in which the eligible institution is located.

[(7) **STATE.**—The term “State” means each of the 50 States and the District of Columbia.]

(c) **GRANT AUTHORITY.**—

(1) **IN GENERAL.**—The Secretary is authorized to award grants, from allotments under subsection (e), to Predominantly Black Institutions to enable the Predominantly Black Institutions to carry out the authorized activities described in subsection (d).

(2) **PRIORITY.**—In awarding grants under this section the Secretary shall give priority to Predominantly Black Institutions with large numbers or percentages of students described in subsections (b)(1)(A) or (b)(1)(C). The level of priority given to Predominantly Black Institutions with large numbers or percentages of students described in subsection (b)(1)(A) shall be twice the level of priority given to Predominantly Black Institutions with large numbers or percentages of students described in subsection (b)(1)(C).

(d) **AUTHORIZED ACTIVITIES.**—

(1) REQUIRED ACTIVITIES.—Grant funds provided under this section shall be used—

(A) to assist the Predominantly Black Institution to plan, develop, undertake, and implement programs to enhance the institution's capacity to serve more low- and middle-income Black American students;

(B) to expand higher education opportunities for students eligible to participate in programs under title IV by encouraging college preparation and student persistence in secondary school and postsecondary education; and

(C) to strengthen the financial ability of the Predominantly Black Institution to serve the academic needs of the students described in subparagraphs (A) and (B).

(2) ADDITIONAL ACTIVITIES.—Grant funds provided under this section shall be used for one or more of the following activities:

(A) The activities described in paragraphs (1) ~~through (12) of section 311(c)~~ *through (17) of section 311(b)*.

(B) Academic instruction in disciplines in which Black Americans are underrepresented.

(C) Establishing or enhancing a program of teacher education designed to qualify students to teach in a public elementary school or secondary school in the State that shall include, as part of such program, preparation for teacher certification or licensure.

~~[(D) Establishing community outreach programs that will encourage elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education.]~~

~~[(E)]~~ (D) Other activities proposed in the application submitted pursuant to subsection (f) that—

(i) contribute to carrying out the purpose of this section; and

(ii) are approved by the Secretary as part of the review and approval of an application submitted under subsection (f).

~~[(3) ENDOWMENT FUND.—~~

~~[(A) IN GENERAL.—A Predominantly Black Institution may use not more than 20 percent of the grant funds provided under this section to establish or increase an endowment fund at the institution.~~

~~[(B) MATCHING REQUIREMENT.—In order to be eligible to use grant funds in accordance with subparagraph (A), a Predominantly Black Institution shall provide matching funds from non-Federal sources, in an amount equal to or greater than the Federal funds used in accordance with subparagraph (A), for the establishment or increase of the endowment fund.~~

~~[(C) COMPARABILITY.—The provisions of part C, regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this subsection, shall apply to funds used under subparagraph (A).]~~

(3) *ENDOWMENT FUND.—A Predominantly Black Institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).*

(4) LIMITATION.—Not more than 50 percent of the grant funds provided to a Predominantly Black Institution under this section may be available for the purpose of constructing or maintaining a classroom, library, laboratory, or other instructional facility.

(e) ALLOTMENTS TO PREDOMINANTLY BLACK INSTITUTIONS.—

(1) FEDERAL PELL GRANT BASIS.—From the amounts appropriated to carry out this section for any fiscal year, the Secretary shall allot to each Predominantly Black Institution having an application approved under subsection (f) a sum that bears the same ratio to one-half of that amount as the number of Federal Pell Grant recipients in attendance at such institution at the end of the academic year preceding the beginning of that fiscal year, bears to the total number of Federal Pell Grant recipients at all such institutions at the end of such academic year.

(2) GRADUATES BASIS.—From the amounts appropriated to carry out this section for any fiscal year, the Secretary shall allot to each Predominantly Black Institution having an application approved under subsection (f) a sum that bears the same ratio to one-fourth of that amount as the number of graduates for such academic year at such institution, bears to the total number of graduates for such academic year at all such institutions.

(3) GRADUATES SEEKING A HIGHER DEGREE BASIS.—From the amounts appropriated to carry out this section for any fiscal year, the Secretary shall allot to each Predominantly Black Institution having an application approved under subsection (f) a sum that bears the same ratio to one-fourth of that amount as the percentage of graduates from such institution who are admitted to and in attendance at, not later than two years after graduation with an associate's degree or a baccalaureate degree, a baccalaureate degree-granting institution or a graduate or professional school in a degree program in disciplines in which Black American students are underrepresented, bears to the percentage of such graduates for all such institutions.

(4) MINIMUM ALLOTMENT.—

(A) IN GENERAL.—Notwithstanding paragraphs (1), (2), and (3), the amount allotted to each Predominantly Black Institution under this section may not be less than \$250,000.

(B) INSUFFICIENT AMOUNT.—If the amounts appropriated to carry out this section for a fiscal year are not sufficient to pay the minimum allotment provided under subparagraph (A) for the fiscal year, then the amount of such minimum allotment shall be ratably reduced. If additional sums become available for such fiscal year, such reduced allotment shall be increased on the same basis as the allotment was reduced until the amount allotted equals the minimum allotment required under subparagraph (A).

(5) REALLOTMENT.—The amount of a Predominantly Black Institution's allotment under paragraph (1), (2), (3), or (4) for any fiscal year that the Secretary determines will not be needed for such institution for the period for which such allotment is available, shall be available for reallocation to other Pre-

dominantly Black Institutions in proportion to the original allotments to such other institutions under this section for such fiscal year. The Secretary shall reallocate such amounts from time to time, on such date and during such period as the Secretary determines appropriate.

(f) APPLICATIONS.—Each Predominantly Black Institution desiring a grant under this section shall submit an application to the Secretary [at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.] *pursuant to section 391.*

[(g) APPLICATION REVIEW PROCESS.—Section 393 shall not apply to applications under this section.

[(h) DURATION AND CARRYOVER.—Any grant funds paid to a Predominantly Black Institution under this section that are not expended or used for the purposes for which the funds were paid within ten years following the date on which the grant was awarded, shall be repaid to the Treasury.]

[(i)] (g) SPECIAL RULE ON ELIGIBILITY.—No Predominantly Black Institution that receives funds under this section shall concurrently receive funds under any other provision of this part, part B, or [part A of] title V.

SEC. 319. NATIVE AMERICAN-SERVING, NONTRIBAL INSTITUTIONS.

(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Native American-serving, nontribal institutions to enable such institutions to improve and expand their capacity to serve Native Americans and low-income individuals.

(b) DEFINITIONS.—In this section:

(1) NATIVE AMERICAN.—The term “Native American” means an individual who is of a tribe, people, or culture that is indigenous to the United States.

(2) NATIVE AMERICAN-SERVING, NONTRIBAL INSTITUTION.—The term “Native American-serving, nontribal institution” means an institution of higher education, as defined in section 101(a), that, at the time of application—

(A) is an eligible institution under section 312(b);

(B) has an enrollment of undergraduate students that is not less than 10 percent Native American students; and

(C) is not a Tribal College or University (as defined in section 316).

(c) AUTHORIZED ACTIVITIES.—

(1) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this section shall be used by Native American-serving, nontribal institutions to assist such institutions to plan, develop, undertake, and carry out activities to improve and expand such institutions’ capacity to serve Native Americans and low-income individuals.

[(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—

[(A) the purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

[(B) renovation and improvement in classroom, library, laboratory, and other instructional facilities;

【(C) support of faculty exchanges, and faculty development and faculty fellowships to assist faculty in attaining advanced degrees in the faculty's field of instruction;

【(D) curriculum development and academic instruction;

【(E) the purchase of library books, periodicals, microfilm, and other educational materials;

【(F) funds and administrative management, and acquisition of equipment for use in strengthening funds management;

【(G) the joint use of facilities such as laboratories and libraries;

【(H) academic tutoring and counseling programs and student support services; and

【(I) education or counseling services designed to improve the financial and economic literacy of students or the students' families.】

(2) *EXAMPLES OF AUTHORIZED ACTIVITIES.*—Such programs may include—

(A) the activities described in paragraphs (1) through (17) of section 311(b); and

(B) other activities proposed in the application submitted pursuant to subsection (d) that—

(i) contribute to carrying out the purpose of this section; and

(ii) are approved by the Secretary as part of the review and approval of an application submitted under subsection (d).

(3) *ENDOWMENT FUND.*—A Native American-serving, nontribal institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).

(d) *APPLICATION PROCESS.*—

【(1) *INSTITUTIONAL ELIGIBILITY.*—A Native American-serving, nontribal institution desiring to receive assistance under this section shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is a Native American-serving, nontribal institution, along with such other information and data as the Secretary may reasonably require.】

(1) *APPLICATION.*—A Native American-serving, nontribal institution desiring to receive assistance under this section shall submit an application to the Secretary pursuant to section 391.

【(2) *APPLICATIONS.*—

【(A) *AUTHORITY TO SUBMIT APPLICATIONS.*—Any institution that is determined by the Secretary to be a Native American-serving, nontribal institution may submit an application for assistance under this section to the Secretary.

【(B) *SIMPLIFIED AND STREAMLINED FORMAT.*—The Secretary shall, to the extent possible, continue to prescribe a simplified and streamlined format for applications under this section that takes into account the limited number of institutions that are eligible for assistance under this section.

【(C) *CONTENT.*—An application submitted under subparagraph (A) shall include—

[(i) a five-year plan for improving the assistance provided by the Native American-serving, nontribal institution to Native Americans and low-income individuals; and

[(ii) such other information and assurances as the Secretary may reasonably require.]

[(3)] (2) SPECIAL RULES.—

(A) ELIGIBILITY.—No Native American-serving, nontribal institution that receives funds under this section shall concurrently receive funds under any other provision of this part, part B, or [part A of] title V.

[(B) EXEMPTION.—Section 313(d) shall not apply to institutions that are eligible to receive funds under this section.]

[(C)] (B) DISTRIBUTION.—In awarding grants under this section, the Secretary shall, to the extent possible and consistent with the competitive process under which such grants are awarded, ensure maximum and equitable distribution among all eligible institutions.

[(D)] (C) MINIMUM GRANT AMOUNT.—The minimum amount of a grant under this section shall be \$200,000.

SEC. 320. ASIAN AMERICAN AND NATIVE AMERICAN PACIFIC ISLANDER-SERVING INSTITUTIONS.

(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Asian American and Native American Pacific Islander-serving institutions to enable such institutions to improve and expand their capacity to serve Asian Americans and Native American Pacific Islanders and low-income individuals.

(b) DEFINITIONS.—In this section:

(1) ASIAN AMERICAN.—The term “Asian American” has the meaning given the term “Asian” in the Office of Management and Budget’s Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity as published on October 30, 1997 (62 Fed. Reg. 58789).

(2) ASIAN AMERICAN AND NATIVE AMERICAN PACIFIC ISLANDER-SERVING INSTITUTION.—The term “Asian American and Native American Pacific Islander-serving institution” means an institution of higher education that—

(A) is an eligible institution under section 312(b); and

(B) at the time of application, has an enrollment of undergraduate students that is not less than 10 percent students who are Asian American or Native American Pacific Islander.

(3) NATIVE AMERICAN PACIFIC ISLANDER.—The term “Native American Pacific Islander” means any descendant of the aboriginal people of any island in the Pacific Ocean that is a territory or possession of the United States.

(c) AUTHORIZED ACTIVITIES.—

(1) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this section shall be used by Asian American and Native American Pacific Islander-serving institutions to assist such institutions to plan, develop, undertake, and carry out activities to improve and expand such institutions’ capacity to serve Asian Americans and Native American Pacific Islanders and low-income individuals.

[(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—

[(A) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

[(B) renovation and improvement in classroom, library, laboratory, and other instructional facilities;

[(C) support of faculty exchanges, and faculty development and faculty fellowships to assist in attaining advanced degrees in the faculty's field of instruction;

[(D) curriculum development and academic instruction;

[(E) purchase of library books, periodicals, microfilm, and other educational materials;

[(F) funds and administrative management, and acquisition of equipment for use in strengthening funds management;

[(G) joint use of facilities such as laboratories and libraries;

[(H) academic tutoring and counseling programs and student support services;

[(I) establishing community outreach programs that will encourage elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education;

[(J) establishing or improving an endowment fund;

[(K) academic instruction in disciplines in which Asian Americans and Native American Pacific Islanders are underrepresented;

[(L) conducting research and data collection for Asian American and Native American Pacific Islander populations and subpopulations;

[(M) establishing partnerships with community-based organizations serving Asian Americans and Native American Pacific Islanders; and

[(N) education or counseling services designed to improve the financial and economic literacy of students or the students' families.]

(2) *EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—*

(A) the activities described in paragraphs (1) through (17) of section 311(b);

(B) academic instruction in disciplines in which Asian Americans and Native American Pacific Islanders are underrepresented;

(C) conducting research and data collection for Asian American and Native American Pacific Islander populations and subpopulations;

(D) establishing partnerships with community-based organizations serving Asian Americans and Native American Pacific Islanders; and

(E) other activities proposed in the application submitted pursuant to subsection (d) that—

(i) contribute to carrying out the purpose of this section; and

(ii) are approved by the Secretary as part of the review and approval of an application submitted under subsection (d).

(3) *ENDOWMENT FUND.*—An Asian American and Native American Pacific Islander-serving institution seeking to establish or increase an endowment fund shall abide by the requirements in section 311(c).

(d) APPLICATION PROCESS.—

[(1) INSTITUTIONAL ELIGIBILITY.—Each Asian American and Native American Pacific Islander-serving institution desiring to receive assistance under this section shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is an Asian American and Native American Pacific Islander-serving institution as defined in subsection (b), along with such other information and data as the Secretary may reasonably require.]

(1) *APPLICATION.*—Each Asian American and Native American Pacific Islander-serving institution desiring to receive assistance under this section shall submit an application to the Secretary pursuant to section 391.

[(2) APPLICATIONS.—Any institution that is determined by the Secretary to be an Asian American and Native American Pacific Islander-serving institution may submit an application for assistance under this section to the Secretary. Such application shall include—

[(A) a five-year plan for improving the assistance provided by the Asian American and Native American Pacific Islander-serving institution to Asian American and Native American Pacific Islander students and low-income individuals; and

[(B) such other information and assurances as the Secretary may reasonably require.]

[(3)] (2) SPECIAL RULES.—

(A) *ELIGIBILITY.*—No Asian American and Native American Pacific Islander-serving institution that receives funds under this section shall concurrently receive funds under any other provision of this part, part B, or title V.

[(B) EXEMPTION.—Section 313(d) shall not apply to institutions that are eligible to receive funds under this section.]

[(C)] (B) *DISTRIBUTION.*—In awarding grants under this section, the Secretary shall—

(i) to the extent possible and consistent with the competitive process under which such grants are awarded, ensure maximum and equitable distribution among all eligible institutions; and

(ii) give priority consideration to institutions for which not less than 10 percent of such institution's Asian American and Native American Pacific Islander students are low-income individuals.

PART B—STRENGTHENING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

* * * * *

SEC. 323. GRANTS TO INSTITUTIONS.

[(a) GENERAL AUTHORIZATION; USES OF FUNDS.—From amounts available under section 399(a)(2) for any fiscal year, the Secretary shall make grants (under section 324) to institutions which have applications approved by the Secretary (under section 325) for any of the following uses:

[(1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

[(2) Construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services.

[(3) Support of faculty exchanges, and faculty development and faculty fellowships to assist in attaining advanced degrees in their field of instruction.

[(4) Academic instruction in disciplines in which Black Americans are underrepresented.

[(5) Purchase of library books, periodicals, microfilm, and other educational materials, including telecommunications program materials.

[(6) Tutoring, counseling, and student service programs designed to improve academic success.

[(7) Funds and administrative management, and acquisition of equipment for use in strengthening funds management.

[(8) Joint use of facilities, such as laboratories and libraries.

[(9) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

[(10) Establishing or enhancing a program of teacher education designed to qualify students to teach in a public elementary or secondary school in the State that shall include, as part of such program, preparation for teacher certification.

[(11) Establishing community outreach programs which will encourage elementary and secondary students to develop the academic skills and the interest to pursue postsecondary education.

[(12) Acquisition of real property in connection with the construction, renovation, or addition to or improvement of campus facilities.

[(13) Education or financial information designed to improve the financial literacy and economic literacy of students or the students' families, especially with regard to student indebtedness and student assistance programs under title IV.

[(14) Services necessary for the implementation of projects or activities that are described in the grant application and that are approved, in advance, by the Secretary, except that not more than two percent of the grant amount may be used for this purpose.

[(15) Other activities proposed in the application submitted pursuant to section 325 that—

[(A) contribute to carrying out the purposes of this part; and

[(B) are approved by the Secretary as part of the review and acceptance of such application.

[(b) ENDOWMENT FUND.—

[(1) IN GENERAL.—An institution may use not more than 20 percent of the grant funds provided under this part to establish or increase an endowment fund at the institution.

[(2) MATCHING REQUIREMENT.—In order to be eligible to use grant funds in accordance with paragraph (1), the eligible institution shall provide matching funds from non-Federal sources, in an amount equal to or greater than the Federal funds used in accordance with paragraph (1), for the establishment or increase of the endowment fund.

[(3) COMPARABILITY.—The provisions of part C regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this subsection, shall apply to funds used under paragraph (1).]

(a) *AUTHORIZED ACTIVITIES.*—*From amounts available under section 399(a)(2) for any fiscal year, the Secretary shall make grants (under section 324) to institutions which have applications approved by the Secretary (under section 325) for any of the following uses:*

(1) *The activities described in paragraphs (1) through (17) of section 311(b).*

(2) *Academic instruction in disciplines in which Black Americans are underrepresented.*

(3) *Initiatives to improve the educational outcomes of African American males.*

(4) *Establishing or enhancing a program of teacher education designed to qualify students to teach in a public elementary or secondary school in the State that shall include, as part of such program, preparation for teacher certification.*

(5) *Acquisition of real property in connection with the construction, renovation, or addition to or improvement of campus facilities.*

(6) *Services necessary for the implementation of projects or activities that are described in the grant application and that are approved, in advance, by the Secretary, except that not more than two percent of the grant amount may be used for this purpose.*

(7) *Other activities proposed in the application submitted pursuant to section 325 that—*

(A) *contribute to carrying out the purposes of this part;*
and

(B) *are approved by the Secretary as part of the review and acceptance of such application.*

(b) *ENDOWMENT FUND.*—*An institution seeking to establish or increase an endowment shall abide by the requirements in section 311(c).*

(c) *LIMITATIONS.*—(1) No grant may be made under this Act for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity. For the purpose of this subsection, the term “school or department of divinity” means an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

(2) Not more than 50 percent of the allotment of any institution may be available for the purpose of constructing or maintaining a classroom, library, laboratory, or other instructional facility.

* * * * *

SEC. 325. APPLICATIONS.

(a) CONTENTS.—No part B institution shall be entitled to its allotment of Federal funds for any grant under section 324 for any period unless that institution meets the requirements of subparagraphs [(C), (D), and (E)] *(C) through (F)* of section 312(b)(1) and submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require. Each such application shall—

(1) provide that the payments under this Act will be used for the purposes set forth in section 323; and

(2) provide for making an annual report to the Secretary and provide for—

(A) conducting, except as provided in subparagraph (B), a financial and compliance audit of an eligible institution, with regard to any funds obtained by it under this title at least once every 2 years and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

(B) with regard to an eligible institution which is audited under chapter 75 of title 31, United States Code, deeming such audit to satisfy the requirements of subparagraph (A) for the period covered by such audit.

(b) APPROVAL.—The Secretary shall approve any application which meets the requirements of subsection (a) and shall not disapprove any application submitted under this part, or any modification thereof, without first affording such institution reasonable notice and opportunity for a hearing.

(c) GOALS FOR FINANCIAL MANAGEMENT AND ACADEMIC PROGRAMS.—Any application for a grant under this part shall describe measurable goals for the institution's financial management and academic programs and include a plan of how the applicant intends to achieve those goals.

SEC. 326. PROFESSIONAL OR GRADUATE INSTITUTIONS.

(a) GENERAL AUTHORIZATION.—(1) Subject to the availability of funds appropriated to carry out this section, the Secretary shall award program grants to each of the postgraduate institutions listed in subsection (e) that is determined by the Secretary to be making a substantial contribution to the legal, medical, dental, veterinary, or other graduate education opportunities in mathematics, engineering, or the physical or natural sciences for Black Americans.

(2) No grant in excess of \$1,000,000 may be made under this section unless the postgraduate institution provides assurances that 50 percent of the cost of the purposes for which the grant is made will be paid from non-Federal sources, except that no institution shall be required to match any portion of the first \$1,000,000 of the

institution's award from the Secretary. After funds are made available to each eligible institution under the funding rules described in subsection (f), the Secretary shall distribute, on a pro rata basis, any amounts which were not so made available (by reason of the failure of an institution to comply with the matching requirements of this paragraph) among the institutions that have complied with such matching requirement.

[(b) DURATION.—Grants shall be made for a period not to exceed 5 years. Any funds awarded for such five-year grant period that are obligated during such five-year period may be expended during the 10-year period beginning on the first day of such five-year period.]

[(c) USES OF FUNDS.—A grant under this section may be used for—

[(1) purchase, rental or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

[(2) construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;

[(3) purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials;

[(4) scholarships, fellowships, and other financial assistance for needy graduate and professional students to permit the enrollment of the students in and completion of the doctoral degree in medicine, dentistry, pharmacy, veterinary medicine, law, and the doctorate degree in the physical or natural sciences, engineering, mathematics, or other scientific disciplines in which African Americans are underrepresented;

[(5) establishing or improving a development office to strengthen and increase contributions from alumni and the private sector;

[(6) assisting in the establishment or maintenance of an institutional endowment to facilitate financial independence pursuant to section 331;

[(7) funds and administrative management, and the acquisition of equipment, including software, for use in strengthening funds management and management information systems;

[(8) acquisition of real property that is adjacent to the campus in connection with the construction, renovation, or addition to or improvement of campus facilities;

[(9) education or financial information designed to improve the financial literacy and economic literacy of students or the students' families, especially with regard to student indebtedness and student assistance programs under title IV;

[(10) services necessary for the implementation of projects or activities that are described in the grant application and that are approved, in advance, by the Secretary, except that not more than two percent of the grant amount may be used for this purpose;

[(11) tutoring, counseling, and student service programs designed to improve academic success; and

[(12) other activities proposed in the application submitted under subsection (d) that—

[(A) contribute to carrying out the purposes of this part; and

[(B) are approved by the Secretary as part of the review and acceptance of such application.]

(b) *DURATION.*—*The Secretary may award a grant to an eligible institution under this part for a period of 5 years. Any funds awarded under this section that are not expended or used for the purposes for which the funds were paid within 10 years following the date on which the grant was awarded, shall be repaid to the Treasury.*

(c) *AUTHORIZED ACTIVITIES.*—*A grant under this section may be used for—*

(1) *the activities described in paragraphs (1) through (12), (14) through (15), and (17) of section 311(b);*

(2) *scholarships, fellowships, and other financial assistance for needy graduate and professional students to permit the enrollment of the students in and completion of the doctoral degree in medicine, dentistry, pharmacy, veterinary medicine, law, and the doctorate degree in the physical or natural sciences, engineering, mathematics, or other scientific disciplines in which African Americans are underrepresented;*

(3) *acquisition of real property that is adjacent to the campus in connection with the construction, renovation, or addition to or improvement of campus facilities;*

(4) *services necessary for the implementation of projects or activities that are described in the grant application and that are approved, in advance, by the Secretary, except that not more than two percent of the grant amount may be used for this purpose; and*

(5) *other activities proposed in the application submitted under subsection (d) that—*

(A) *contribute to carrying out the purposes of this part; and*

(B) *are approved by the Secretary as part of the review and acceptance of such application.*

(d) *APPLICATION.*—*Any institution eligible for a grant under this section shall submit an application which—*

(1) *demonstrates how the grant funds will be used to improve graduate educational opportunities for Black and low-income students, and lead to greater financial independence; and*

(2) *provides, in the case of applications for grants in excess of \$1,000,000, the assurances required by subsection (a)(2) and specifies the manner in which the eligible institution is going to pay the non-Federal share of the cost of the application.*

(e) *ELIGIBILITY.*—

(1) *IN GENERAL.*—*Independent professional or graduate institutions and programs eligible for grants under subsection (a) are the following:*

(A) *Morehouse School of Medicine;*

(B) *Meharry Medical School;*

(C) *Charles R. Drew Postgraduate Medical School;*

(D) *Clark-Atlanta University;*

(E) *Tuskegee University School of Veterinary Medicine and other qualified graduate programs;*

(F) Xavier University School of Pharmacy and other qualified graduate programs;

(G) Southern University School of Law and other qualified graduate programs;

(H) Texas Southern University School of Law and School of Pharmacy and other qualified graduate programs;

(I) Florida A&M University School of Pharmaceutical Sciences and other qualified graduate programs;

(J) North Carolina Central University School of Law and other qualified graduate programs;

(K) Morgan State University qualified graduate program;

(L) Hampton University qualified graduate program;

(M) Alabama A&M qualified graduate program;

(N) North Carolina A&T State University qualified graduate program;

(O) University of Maryland Eastern Shore qualified graduate program;

(P) Jackson State University qualified graduate program;

(Q) Norfolk State University qualified graduate programs;

(R) Tennessee State University qualified graduate programs;

(S) Alabama State University qualified graduate programs;

(T) Prairie View A&M University qualified graduate programs;

(U) Delaware State University qualified graduate programs;

(V) Langston University qualified graduate programs;

(W) Bowie State University qualified graduate programs;

[and]

(X) University of the District of Columbia David A. Clarke School of Law^[.]; and

(Y) *University of the Virgin Islands School of Medicine.*

(2) QUALIFIED GRADUATE PROGRAM.—(A) For the purposes of this section, the term “qualified graduate program” means a graduate or professional program that provides a program of instruction in law or in the physical or natural sciences, engineering, mathematics, psychometrics, or other scientific discipline in which African Americans are underrepresented and has students enrolled in such program at the time of application for a grant under this section.

(B) Notwithstanding the enrollment requirement contained in subparagraph (A), an institution may use an amount equal to not more than 10 percent of the institution’s grant under this section for the development of a new qualified graduate program.

(3) SPECIAL RULE.—Institutions that were awarded grants under this section prior to October 1, 2008, shall continue to receive such grants, subject to the availability of appropriated funds, regardless of the eligibility of the institutions described in subparagraphs (S) through (X) of paragraph (1).

(4) ONE GRANT PER INSTITUTION.—The Secretary shall not award more than 1 grant under this section in any fiscal year to any institution of higher education.

(5) INSTITUTIONAL CHOICE.—The president or chancellor of the institution may decide which graduate or professional school or qualified graduate program will receive funds under the grant in any 1 fiscal year, if the allocation of funds among the schools or programs is delineated in the application for funds submitted to the Secretary under this section.

(f) FUNDING RULE.—Subject to subsection (g), of the amount appropriated to carry out this section for any fiscal year—

(1) the first \$56,900,000 (or any lesser amount appropriated) shall be available only for the purposes of making grants to institutions or programs described in subparagraphs (A) through (R) of subsection (e)(1);

(2) any amount in excess of \$56,900,000, but not in excess of \$62,900,000, shall be available for the purpose of making grants to institutions or programs described in subparagraphs (S) through (X) of subsection (e)(1); and

(3) any amount in excess of \$62,900,000, shall be made available to each of the institutions or programs identified in subparagraphs (A) through (X) pursuant to a formula developed by the Secretary that uses the following elements:

(A) The ability of the institution to match Federal funds with non-Federal funds.

(B) The number of students enrolled in the programs for which the eligible institution received funding under this section in the previous year.

(C) The average cost of education per student, for all full-time graduate or professional students (or the equivalent) enrolled in the eligible professional or graduate school, or for doctoral students enrolled in the qualified graduate programs.

(D) The number of students in the previous year who received their first professional or doctoral degree from the programs for which the eligible institution received funding under this section in the previous year.

(E) The contribution, on a percent basis, of the programs for which the institution is eligible to receive funds under this section to the total number of African Americans receiving graduate or professional degrees in the professions or disciplines related to the programs for the previous year.

(g) HOLD HARMLESS RULE.—Notwithstanding paragraphs (2) and (3) of subsection (f), no institution or qualified program identified in subsection (e)(1) that received a grant for fiscal year [2008] 2018 and that is eligible to receive a grant in a subsequent fiscal year shall receive a grant amount in any such subsequent fiscal year that is less than the grant amount received for fiscal year [2008] 2018, unless the amount appropriated is not sufficient to provide such grant amounts to all such institutions and programs, or the institution cannot provide sufficient matching funds to meet the requirements of this section.

(h) INTERACTION WITH OTHER GRANT PROGRAMS.—No institution that is eligible for and receives an award under section 512, 723,

or 724 for a fiscal year shall be eligible to apply for a grant, or receive grant funds, under this section for the same fiscal year.

SEC. 327. REPORTING AND AUDIT REQUIREMENTS.

[(a) RECORDKEEPING.—]Each recipient of a grant under this part shall keep such records as the Secretary shall prescribe, including records which fully disclose—

- (1) the amount and disposition by such recipient of the proceeds of such assistance;
- (2) the cost of the project or undertaking in connection with which such assistance is given or used;
- (3) the amount of that portion of the cost of the project or undertaking supplied by other sources; and
- (4) such other records as will facilitate an effective audit.

[(b) USE OF UNEXPENDED FUNDS.—Any funds paid to an institution and not expended or used for the purposes for which the funds were paid during the five-year period following the date of the initial grant award, may be carried over and expended during the succeeding five-year period, if such funds were obligated for a purpose for which the funds were paid during the five-year period following the date of the initial grant award.]

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PART D—HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING

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SEC. 343. FEDERAL INSURANCE FOR BONDS.

(a) GENERAL RULE.—Subject to the limitations in section 344, the Secretary is authorized to enter into insurance agreements to provide financial insurance to guarantee the full payment of principal and interest on qualified bonds upon the conditions set forth in subsections (b), (c) and (d).

(b) RESPONSIBILITIES OF THE DESIGNATED BONDING AUTHORITY.—The Secretary may not enter into an insurance agreement described in subsection (a) unless the Secretary designates a qualified bonding authority in accordance with sections 345(1) and 346 and the designated bonding authority agrees in such agreement to—

- (1) use the proceeds of the qualified bonds, less costs of issuance not to exceed 2 percent of the principal amount thereof, to make loans to eligible institutions or for deposit into [an escrow account] *a bond insurance fund* for repayment of the bonds;
- (2) provide in each loan agreement with respect to a loan that not less than 95 percent of the proceeds of the loan will be used—
 - (A) to finance the repair, renovation, and, in exceptional cases, construction or acquisition, of a capital project; or
 - (B) to refinance an obligation the proceeds of which were used to finance the repair, renovation, and, in exceptional cases, construction or acquisition, of a capital project;
- (3)(A) charge such interest on loans, and provide for such a schedule of repayments of loans, as will, upon the timely re-

payment of the loans, provide adequate and timely funds for the payment of principal and interest on the bonds; and

(B) require that any payment on a loan expected to be necessary to make a payment of principal and interest on the bonds be due not less than 60 days prior to the date of the payment on the bonds for which such loan payment is expected to be needed;

(4) prior to the making of any loan, provide for a credit review of the institution receiving the loan and assure the Secretary that, on the basis of such credit review, it is reasonable to anticipate that the institution receiving the loan will be able to repay the loan in a timely manner pursuant to the terms thereof;

(5) provide in each loan agreement with respect to a loan that, if a delinquency on such loan results in a funding under the insurance agreement, the institution obligated on such loan shall repay the Secretary, upon terms to be determined by the Secretary, for such funding;

(6) assign any loans to the Secretary, upon the demand of the Secretary, if a delinquency on such loan has required a funding under the insurance agreement;

(7) in the event of a delinquency on a loan, engage in such collection efforts as the Secretary shall require for a period of not less than 45 days prior to requesting a funding under the insurance agreement;

(8) **establish an escrow account** *subject to subsection (f), establish a bond insurance fund—*

(A) into which each eligible institution shall deposit 5 percent of the proceeds of any loan made under this part, with each eligible institution required to maintain in **the escrow account** *the bond insurance fund* an amount equal to 5 percent of the outstanding principal of all loans made to such institution under this part; and

(B) the balance of which—

(i) shall be available to the Secretary to pay principal and interest on the bonds in the event of delinquency in loan repayment; and

(ii) shall be used to return to an eligible institution an amount equal to any remaining portion of such institution's 5 percent deposit of loan proceeds within 120 days following scheduled repayment of such institution's loan;

(9) provide in each loan agreement with respect to a loan that, if a delinquency on such loan results in amounts being withdrawn from **the escrow account** *the bond insurance fund or the escrow account described in subsection (f)(1)(B)* to pay principal and interest on bonds, subsequent payments on such loan shall be available to replenish **such escrow account** *such bond insurance fund or escrow account*;

(10) comply with the limitations set forth in section 344 of this part;

(11) make loans only to eligible institutions under this part in accordance with conditions prescribed by the Secretary to ensure that loans are fairly allocated among as many eligible institutions as possible, consistent with making loans of

amounts that will permit capital projects of sufficient size and scope to significantly contribute to the educational program of the eligible institutions; and

(12) limit loan collateralization, with respect to any loan made under this part, to 100 percent of the loan amount, except as otherwise required by the Secretary.

(c) **ADDITIONAL AGREEMENT PROVISIONS.**—Any insurance agreement described in subsection (a) of this section shall provide as follows:

(1) The payment of principal and interest on bonds shall be insured by the Secretary until such time as such bonds have been retired or canceled.

(2) The Federal liability for delinquencies and default for bonds guaranteed under this part shall only become effective upon the exhaustion of all the funds held in **the escrow account described in subsection (b)(8)** *the bond insurance fund described in subsection (b)(8) and the escrow account described in subsection (f)(1)(B).*

(3) The Secretary shall create a letter of credit authorizing the Department of the Treasury to disburse funds to the designated bonding authority or its assignee.

(4) The letter of credit shall be drawn upon in the amount determined by paragraph (5) of this subsection upon the certification of the designated bonding authority to the Secretary or the Secretary's designee that there is a delinquency on 1 or more loans and there are insufficient funds available from loan repayments **and the escrow account**, *the bond insurance fund, and the escrow account described in subsection (f)(1)(B)* to make a scheduled payment of principal and interest on the bonds.

(5) Upon receipt by the Secretary or the Secretary's designee of the certification described in paragraph (4) of this subsection, the designated bonding authority may draw a funding under the letter of credit in an amount equal to—

(A) the amount required to make the next scheduled payment of principal and interest on the bonds, less

(B) the amount available to the designated bonding authority from loan repayments **and the escrow account**, *the bond insurance fund, and the escrow account described in subsection (f)(1)(B).*

(6) All funds provided under the letter of credit shall be paid to the designated bonding authority within 2 business days following receipt of the certification described in paragraph (4).

(d) **FULL FAITH AND CREDIT PROVISIONS.**—Subject to section 343(c)(1) the full faith and credit of the United States is pledged to the payment of all funds which may be required to be paid under the provisions of this section.

(e) **SALE OF QUALIFIED BONDS.**—Notwithstanding any other provision of law, a qualified bond guaranteed under this part may be sold to any party that offers terms that the Secretary determines are in the best interest of the eligible institution.

(f) **APPLICABILITY OF BOND INSURANCE FUND AND ESCROW ACCOUNT AND SPECIAL RULES.**—

(1) **APPLICABILITY OF BOND INSURANCE FUND AND ESCROW ACCOUNT.**—*Except as provided in paragraph (2)*—

(A) the bond insurance fund established under subsection (b)(8) on the date of enactment of the PROSPER Act shall be made available with respect to loans made under this part on or after such date; and

(B) the escrow account established under subsection (b)(8) before the date of enactment of the PROSPER Act and as in effect on the day before such date of enactment shall be made available with respect to loans made under this part before the date of enactment of the PROSPER Act.

(2) SPECIAL RULES.—Notwithstanding paragraph (1)—

(A) in a case in which the amount in the bond insurance fund described in paragraph (1)(A) is insufficient to make payments of principal and interest on bonds under subsection (b)(8)(B)(i) in the event of delinquency in loan repayment on loans made under this part on or after the date of enactment of the PROSPER Act, amounts in the escrow fund described in paragraph (1)(B) shall be made available to the Secretary to make such payments;

(B) in a case in which the amount in the escrow account described in paragraph (1)(B) is insufficient to make payments of principal and interest on bonds under subsection (b)(8)(B)(i) in the event of delinquency in loan repayment on loans made under this part before the date of enactment of the PROSPER Act, amounts in the bond insurance fund described in paragraph (1)(A) shall be made available to the Secretary to make such payments; and

(C) in a case in which an institution is required to return an amount equal to any remaining portion of such institution's 5 percent deposit of loan proceeds under subsection (b)(8)(B)(ii), the institution shall return to the escrow account and the bond insurance fund an amount that is proportionate to the amount that was withdrawn from the escrow account and the bond insurance fund, respectively, by such institution.

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SEC. 345. AUTHORITY OF THE SECRETARY.

In the performance of, and with respect to, the functions vested in the Secretary by this part, the Secretary—

(1) shall, within 120 days of the date of enactment of the Higher Education Opportunity Act, publish in the Federal Register a notice and request for proposals for any private for-profit organization or entity wishing to serve as the designated bonding authority under this part, which notice shall—

(A) specify the time and manner for submission of proposals; and

(B) specify any information, qualifications, criteria, or standards the Secretary determines to be necessary to evaluate the financial capacity and administrative capability of any applicant to carry out the responsibilities of the designated bonding authority under this part;

(2) shall ensure that—

(A) the selection process for the designated bonding authority is conducted on a competitive basis; and

(B) the evaluation and selection process is transparent;

(3) shall—

(A) review the performance of the designated bonding authority after the third year of the insurance agreement; and

(B) following the review described in subparagraph (A), implement a revised competitive selection process, if determined necessary by the Secretary in consultation with the Advisory Board established pursuant to section 347;

(4) shall require that the first loans for capital projects authorized under section 343 be made no later than March 31, 1994;

(5) may sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this part without regard to the amount in controversy, and any action instituted under this section by or against the Secretary shall survive notwithstanding any change in the person occupying the office of the Secretary or any vacancy in such office;

(6)(A) may foreclose on any property and bid for and purchase at any foreclosure, or any other sale, any property in connection with which the Secretary has been assigned a loan pursuant to this part; and

(B) in the event of such an acquisition, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property, except that—

(i) such action shall not preclude any other action by the Secretary to recover any deficiency in the amount of a loan assigned to the Secretary; and

(ii) any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(7) may sell, exchange, or lease real or personal property and securities or obligations;

(8) may include in any contract such other covenants, conditions, or provisions necessary to ensure that the purposes of this part will be achieved;

【(9) may, directly or by grant or contract, provide technical assistance to eligible institutions to prepare the institutions to qualify, apply for, and maintain a capital improvement loan, including a loan under this part; and】

(9) may, directly or by grant or contract, provide financial counseling and technical assistance to eligible institutions to prepare the institutions to qualify, apply for, and maintain a capital improvement loan, including a loan under this part; and

(10) not later than 120 days after the date of enactment of the Higher Education Opportunity Act, shall submit to the authorizing committees a report on the progress of the Department in implementing the recommendations made by the Gov-

ernment Accountability Office in October 2006 for improving the Historically Black College and Universities Capital Financing Program.

SEC. 347. HBCU CAPITAL FINANCING ADVISORY BOARD.

(a) **ESTABLISHMENT AND PURPOSE.**—There is established within the Department of Education, the Historically Black College and Universities Capital Financing Advisory Board (hereinafter in this part referred to as the “Advisory Board”) which shall provide advice and counsel to the Secretary and the designated bonding authority as to the most effective and efficient means of implementing construction financing on African American college campuses, and advise the Congress of the United States regarding the progress made in implementing this part. The Advisory Board shall meet with the Secretary at least twice each year to advise him as to the capital needs of historically Black colleges and universities, how those needs can be met through the program authorized by this part, and what additional steps might be taken to improve the operation and implementation of the construction financing program.

(b) **BOARD MEMBERSHIP.**—

(1) **COMPOSITION.**—The Advisory Board shall be appointed by the Secretary and shall be composed of 11 members as follows:

(A) The Secretary or the Secretary’s designee.

(B) Three members who are presidents of private historically Black colleges or universities.

(C) Three members who are presidents of public historically Black colleges or universities.

(D) The president of the United Negro College Fund, Inc., or the president’s designee.

(E) The president of the National Association for Equal Opportunity in Higher Education, or the designee of the Association.

(F) The executive director of the White House Initiative on historically Black colleges and universities.

(G) The president of the Thurgood Marshall College Fund, or the designee of the president.

(2) **TERMS.**—The term of office of each member appointed under paragraphs (1)(B) and (1)(C) shall be 3 years, except that—

(A) of the members first appointed pursuant to paragraphs (1)(B) and (1)(C), 2 shall be appointed for terms of 1 year, and 3 shall be appointed for terms of 2 years;

(B) members appointed to fill a vacancy occurring before the expiration of a term of a member shall be appointed to serve the remainder of that term; and

(C) a member may continue to serve after the expiration of a term until a successor is appointed.

(c) **ADDITIONAL RECOMMENDATIONS FROM ADVISORY BOARD.**—

(1) **IN GENERAL.**—In addition to the responsibilities of the Advisory Board described in subsection (a), the Advisory Board shall advise the Secretary and the authorizing committees regarding—

(A) the fiscal status and strategic financial condition of not less than ten historically Black colleges and universities that have—

- (i) obtained construction financing through the program under this part and seek additional financing or refinancing under such program; or
- (ii) applied for construction financing through the program under this part but have not received financing under such program; and
- (B) the feasibility of reducing borrowing costs associated with the program under this part, including reducing interest rates.

[(2) REPORT.—Not later than six months after the date of enactment of the Higher Education Opportunity Act, the Advisory Board shall prepare and submit a report to the authorizing committees regarding the historically Black colleges and universities described in paragraph (1)(A) that includes administrative and legislative recommendations for addressing the issues related to construction financing facing such historically Black colleges and universities.]

(2) REPORT.—On an annual basis, the Advisory Board shall prepare and submit to the authorizing committees a report on the status of the historically Black colleges and universities described in paragraph (1)(A) and an overview of all loans in the capital financing program, including the most recent loans awarded in the fiscal year in which the report is submitted. The report shall include administrative and legislative recommendations, as needed, for addressing the issues related to construction financing facing historically Black colleges and universities.

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PART E—MINORITY SCIENCE AND ENGINEERING IMPROVEMENT PROGRAM

Subpart 1—Minority Science and Engineering Improvement Program

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SEC. 353. USE OF FUNDS.

(a) TYPES OF GRANTS.—Funds appropriated to carry out this subpart may be made available as—

- (1) institutional grants (as defined in section [365(6)] 359(6));
- (2) cooperative grants (as defined in section [365(7)] 359(7));
- (3) design projects (as defined in section [365(8)] 359(8)); or
- (4) special projects (as defined in section [365(9)] 359(9)).

(b) AUTHORIZED USES FOR EACH TYPE OF GRANT.—(1) The authorized uses of funds made available as institutional grants include (but are not limited to)—

- (A) faculty development programs; or
- (B) development of curriculum materials.

(2) The authorized uses of funds made available as cooperative grants include (but are not limited to)—

- (A) assisting institutions in sharing facilities and personnel;

(B) disseminating information about established programs in science and engineering;

(C) supporting cooperative efforts to strengthen the institutions' science and engineering programs; or

(D) carrying out a combination of any of the activities in subparagraphs (A) through (C).

(3) The authorized uses of funds made available as design projects include (but are not limited to)—

(A) developing planning, management, and evaluation systems; or

(B) developing plans for initiating scientific research and for improving institutions' capabilities for such activities.

Funds used for design project grants may not be used to pay more than 50 percent of the salaries during any academic year of faculty members involved in the project.

(4) The authorized uses of funds made available as special projects include (but are not limited to)—

(A) advanced science seminars;

(B) science faculty workshops and conferences;

(C) faculty training to develop specific science research or education skills;

(D) research in science education;

(E) programs for visiting scientists;

(F) preparation of films or audio-visual materials in science;

(G) development of learning experiences in science beyond those normally available to minority undergraduate students;

(H) development of pre-college enrichment activities in science; or

(I) any other activities designed to address specific barriers to the entry of minorities into science.

[Subpart 2—Programs in STEM Fields

[SEC. 355. YES PARTNERSHIPS GRANT PROGRAM.

[(a) GRANT PROGRAM AUTHORIZED.—Subject to the availability of appropriations to carry out this subpart, the Secretary shall make grants to eligible partnerships (as described in subsection (f)) to support the engagement of underrepresented minority youth and youth who are low-income individuals (as such term is defined in section 312) in science, technology, engineering, and mathematics through outreach and hands-on, experiential-based learning projects that encourage students in kindergarten through grade 12 who are underrepresented minority youth or low-income individuals to pursue careers in science, technology, engineering, and mathematics.

[(b) MINIMUM GRANT AMOUNT.—A grant awarded to a partnership under this subpart shall be for an amount that is not less than \$500,000.

[(c) DURATION.—A grant awarded under this subpart shall be for a period of five years.

[(d) NON-FEDERAL MATCHING SHARE REQUIRED.—A partnership receiving a grant under this subpart shall provide, from non-Federal sources, in cash or in-kind, an amount equal to 50 percent of the costs of the project supported by such grant.

[(e) DISTRIBUTION OF GRANTS.—In awarding grants under this subpart, the Secretary shall ensure that, to the maximum extent practicable, the projects funded under this subpart are located in diverse geographic regions of the United States.

[(f) ELIGIBLE PARTNERSHIPS.—Notwithstanding the general eligibility provision in section 361, eligibility to receive grants under this subpart is limited to partnerships described in paragraph (5) of such section.

[SEC. 356. PROMOTION OF ENTRY INTO STEM FIELDS.

[(a) AUTHORITY TO CONTRACT, SUBJECT TO APPROPRIATIONS.—The Secretary is authorized to enter into a contract with a firm with a demonstrated record of success in advertising to implement a campaign to expand the population of qualified individuals in science, technology, engineering, and mathematics fields (referred to in this section as “STEM fields”) by encouraging young Americans to enter such fields.

[(b) DESIGN OF CAMPAIGN.—The campaign under this section shall be designed to enhance the image of education and professions in the STEM fields and promote participation in the STEM fields, and may include—

[(1) monitoring trends in youths’ attitudes toward pursuing education and professions in the STEM fields and their propensity toward entering the STEM fields;

[(2) determining what factors contribute to encouraging and discouraging Americans from pursuing study in STEM fields and entering the STEM fields professionally;

[(3) determining what specific factors limit the participation of groups currently underrepresented in STEM fields, including Latinos, African-Americans, and women; and

[(4) drawing from the market research performed under this section and implementing an advertising campaign to encourage young Americans to take up studies in STEM fields, beginning at an early age.

[(c) REQUIRED COMPONENTS.—The campaign under this section shall—

[(1) include components that focus tailored messages on appropriate age groups, starting with elementary school students; and

[(2) link participation in the STEM fields to the concept of service to one’s country, so that young people will be encouraged to enter the STEM fields in order fulfill the obligation to be of service to their country.

[(d) PRIORITY.—The campaign under this section shall hold as a high priority making specific appeals to Hispanic Americans, African Americans, Native Americans, students with disabilities, and women, who are currently underrepresented in the STEM fields, in order to increase their numbers in the STEM fields, and shall tailor recruitment efforts to each specific group.

[(e) USE OF VARIETY OF MEDIA.—The campaign under this section shall make use of a variety of media, with an emphasis on television advertising, to reach its intended audience.

[(f) TEACHING.—The campaign under this section shall include a narrowly focused effort to attract current professionals in the STEM fields, through advertising in mediums likely to reach that

specific group, into teaching in a STEM field in elementary schools and secondary schools.

[SEC. 357. EVALUATION AND ACCOUNTABILITY PLAN.]

【The Secretary shall develop an evaluation and accountability plan for projects funded under this subpart. Such plan shall include, if the Secretary determines that it is practical, an objective measure of the impact of such projects, such as a measure of whether underrepresented minority student enrollment in courses related to science, technology, engineering, and mathematics increases at the secondary and postsecondary levels.】

Subpart [3] 2—Administrative and General Provisions

SEC. [361.] 355. ELIGIBILITY FOR GRANTS.

Eligibility to receive grants under this part is limited to—

- (1) public and private nonprofit institutions of higher education that—
 - (A) award baccalaureate degrees; and
 - (B) are minority institutions;
- (2) public or private nonprofit institutions of higher education that—
 - (A) award associate degrees; and
 - (B) are minority institutions that—
 - (i) have a curriculum that includes science or engineering subjects; and
 - (ii) enter into a partnership with public or private nonprofit institutions of higher education that award baccalaureate degrees in science and engineering;
- (3) nonprofit science-oriented organizations, professional scientific societies, and institutions of higher education that award baccalaureate degrees, that—
 - (A) provide a needed service to a group of minority institutions; or
 - (B) provide in-service training for project directors, scientists, and engineers from minority institutions;
- (4) consortia of organizations, that provide needed services to one or more minority institutions, the membership of which may include—
 - (A) public and private nonprofit institutions of higher education which have a curriculum in science or engineering;
 - (B) institutions of higher education that have a graduate or professional program in science or engineering;
 - (C) research laboratories of, or under contract with, the Department of Energy, the Department of Defense, or the National Institutes of Health;
 - (D) relevant offices of the National Aeronautics and Space Administration, National Oceanic and Atmospheric Administration, National Science Foundation, and National Institute of Standards and Technology;
 - (E) quasi-governmental entities that have a significant scientific or engineering mission; or

(F) institutions of higher education that have State-sponsored centers for research in science, technology, engineering, and mathematics; or

[(5) only with respect to grants under subpart 2, partnerships of organizations, the membership of which shall include—

[(A) at least one institution of higher education eligible for assistance under this title or title V;

[(B) at least one high-need local educational agency (as defined in section 200); and

[(C) at least two community organizations or entities, such as businesses, professional associations, community-based organizations, philanthropic organizations, or State agencies.]

SEC. [362.] 356. GRANT APPLICATION.

(a) SUBMISSION AND CONTENTS OF APPLICATIONS.—An eligible applicant (as [determined under section 361]) *determined under section 355*) that desires to receive a grant under this part shall submit to the Secretary an application therefor at such time or times, in such manner, and containing such information as the Secretary may prescribe by regulation. Such application shall set forth—

(1) a program of activities for carrying out one or more of the purposes described in section 351(b) in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purpose or purposes; and

(2) such other policies, procedures, and assurances as the Secretary may require by regulation.

(b) APPROVAL BASED ON LIKELIHOOD OF PROGRESS.—The Secretary shall approve an application only if the Secretary determines that the application sets forth a program of activities which are likely to make substantial progress toward achieving the purposes of this part.

SEC. [363.] 357. CROSS PROGRAM AND CROSS AGENCY COOPERATION.

The Minority Science and Engineering Improvement Programs shall cooperate and consult with other programs within the Department and within Federal, State, and private agencies which carry out programs to improve the quality of science, mathematics, and engineering education.

SEC. [364.] 358. ADMINISTRATIVE PROVISIONS.

(a) TECHNICAL STAFF.—The Secretary shall appoint, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, not less than 2 technical employees with appropriate scientific and educational background to administer the programs under this part who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(b) PROCEDURES FOR GRANT REVIEW.—The Secretary shall establish procedures for reviewing and evaluating grants and contracts made or entered into under such programs. Procedures for reviewing grant applications, based on the peer review system, or contracts for financial assistance under this title may not be subject to any review outside of officials responsible for the administration of the Minority Science and Engineering Improvement Programs.

SEC. [365.] 359. DEFINITIONS.

For the purpose of this part—

(1) The term “accredited” means currently certified by a nationally recognized accrediting agency or making satisfactory progress toward achieving accreditation.

(2) The term “minority” means American Indian, Alaskan Native, Black *American* (not of Hispanic origin), [Hispanic (including)] *Hispanic American* (including persons of Mexican, Puerto Rican, Cuban, and Central or South American origin), Pacific Islander or other ethnic group underrepresented in science and engineering.

(3) The term “minority institution” means an institution of higher education whose enrollment of a single minority or a combination of minorities (as defined in paragraph (2)) exceeds 50 percent of the total enrollment. The Secretary shall verify this information from the data on enrollments in the higher education general information surveys (HEGIS) furnished by the institution to the Office for Civil Rights, Department of Education.

(4) The term “science” means, for the purpose of this program, the biological, engineering, mathematical, physical, behavioral, and social sciences, and history and philosophy of science; also included are interdisciplinary fields which are comprised of overlapping areas among two or more sciences.

(5) The term “underrepresented in science and engineering” means a minority group whose number of scientists and engineers per 10,000 population of that group is substantially below the comparable figure for scientists and engineers who are white and not of Hispanic origin.

(6) The term “institutional grant” means a grant that supports the implementation of a comprehensive science improvement plan, which may include any combination of activities for improving the preparation of minority students for careers in science.

(7) The term “cooperative grant” means a grant that assists groups of nonprofit accredited colleges and universities to work together to conduct a science improvement program.

(8) The term “design projects” means projects that assist minority institutions that do not have their own appropriate resources or personnel to plan and develop long-range science improvement programs.

(9) The term “special projects” means—

(A) a special project grant to a minority institution which supports activities that—

(i) improve the quality of training in science and engineering at minority institutions; or

(ii) enhance the minority institutions’ general scientific research capabilities; or

(B) a special project grant to any eligible applicant which supports activities that—

(i) provide a needed service to a group of eligible minority institutions; or

(ii) provide in-service training for project directors, scientists, and engineers from eligible minority institutions.

**PART F—STRENGTHENING HISTORICALLY
BLACK COLLEGES AND UNIVERSITIES AND
OTHER MINORITY-SERVING INSTITUTIONS**

SEC. 371. INVESTMENT IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTIONS.

(a) **ELIGIBLE INSTITUTION.**—An institution of higher education is eligible to receive funds from the amounts made available under this section if such institution is—

- (1) a part B institution (as defined in section 322 (20 U.S.C. 1061));
- (2) a Hispanic-serving institution (as defined in section 502 (20 U.S.C. 1101a));
- (3) a Tribal College or University (as defined in section 316 (20 U.S.C. 1059c));
- (4) an Alaska Native-serving institution or a Native Hawaiian-serving institution (as defined in section 317(b) (20 U.S.C. 1059d(b)));
- (5) a Predominantly Black Institution (as defined in subsection (c));
- (6) an Asian American and Native American Pacific Islander-serving institution (as defined in subsection (c)); or
- (7) a Native American-serving nontribal institution (as defined in subsection (c)).

(b) **NEW INVESTMENT OF FUNDS.**—

(1) **IN GENERAL.**—

(A) **PROVISION OF FUNDS.**—There shall be available to the Secretary to carry out this section, from funds in the Treasury not otherwise appropriated, \$255,000,000 for each of the fiscal years 2008 through 2019. The authority to award grants under this section shall expire at the end of fiscal year 2019.

(B) **AVAILABILITY.**—Funds made available under subparagraph (A) for a fiscal year shall remain available for the next succeeding fiscal year.

(2) **ALLOCATION AND ALLOTMENT.**—

(A) **IN GENERAL.**—Of the amounts made available under paragraph (1) for each fiscal year—

- (i) \$100,000,000 shall be available for allocation under subparagraph (B);
- (ii) \$100,000,000 shall be available for allocation under subparagraph (C); and
- (iii) \$55,000,000 shall be available for allocation under subparagraph (D).

(B) **HSI STEM AND ARTICULATION PROGRAMS.**—The amount made available for allocation under this subparagraph by subparagraph (A)(i) for any fiscal year shall be available for Hispanic-serving Institutions for activities described in section 503, with a priority given to applications that propose—

- (i) to increase the number of Hispanic and other low income students attaining degrees in the fields of science, technology, engineering, or mathematics; and

(ii) to develop model transfer and articulation agreements between 2-year Hispanic-serving institutions and 4-year institutions in such fields.

(C) ALLOCATION AND ALLOTMENT HBCUS AND PBIS.—From the amount made available for allocation under this subparagraph by subparagraph (A)(ii) for any fiscal year—

(i) 85 percent shall be available to eligible institutions described in subsection (a)(1) and shall be made available as grants under section 323 and allotted among such institutions under section 324, treating such amount, plus the amount appropriated for such fiscal year in a regular or supplemental appropriation Act to carry out part B of this title, as the amount appropriated to carry out part B of this title for purposes of allotments under section 324, for use by such institutions with a priority for—

(I) activities described in paragraphs (1), (2), (4), (5), and (10) of section 323(a); and

(II) other activities, consistent with the institution's comprehensive plan and designed to increase the institution's capacity to prepare students for careers in the physical or natural sciences, mathematics, computer science or information technology or sciences, engineering, language instruction in the less-commonly taught languages or international affairs, or nursing or allied health professions; and

(ii) 15 percent shall be available to eligible institutions described in subsection (a)(5) and shall be available for a competitive grant program to award 25 grants of \$600,000 annually for programs in any of the following areas:

(I) science, technology, engineering, or mathematics (STEM);

(II) health education;

(III) internationalization or globalization;

(IV) teacher preparation; or

(V) improving educational outcomes of African American males.

(D) ALLOCATION AND ALLOTMENT TO OTHER MINORITY-SERVING INSTITUTIONS.—From the amount made available for allocation under this subparagraph by subparagraph (A)(iii) for any fiscal year—

(i) \$30,000,000 for such fiscal year shall be available to eligible institutions described in subsection (a)(3) and shall be made available as grants under section 316, treating such \$30,000,000 as part of the amount appropriated for such fiscal year in a regular or supplemental appropriation Act to carry out such section, and using such \$30,000,000 for purposes described in subsection (c) of such section;

(ii) \$15,000,000 for such fiscal year shall be available to eligible institutions described in subsection (a)(4) and shall be made available as grants under section 317, treating such \$15,000,000 as part of the

amount appropriated for such fiscal year in a regular or supplemental appropriation Act to carry out such section and using such \$15,000,000 for purposes described in subsection (c) of such section;

(iii) \$5,000,000 for such fiscal year shall be available to eligible institutions described in subsection (a)(6) for activities described in [section 311(c)] *section 311(b)*; and

(iv) \$5,000,000 for such fiscal year shall be available to eligible institutions described in subsection (a)(7)—

(I) to plan, develop, undertake, and carry out activities to improve and expand such institutions' capacity to serve Native Americans, which may include—

(aa) the purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

(bb) renovation and improvement in classroom, library, laboratory, and other instructional facilities;

(cc) support of faculty exchanges, faculty development, and faculty fellowships to assist faculty in attaining advanced degrees in the faculty's field of instruction;

(dd) curriculum development and academic instruction;

(ee) the purchase of library books, periodicals, microfilm, and other educational materials;

(ff) funds and administrative management, and acquisition of equipment for use in strengthening funds management;

(gg) the joint use of facilities such as laboratories and libraries; and

(hh) academic tutoring and counseling programs and student support services; and

(II) to which the Secretary, to the extent possible and consistent with a competitive process under which such grants are awarded, allocates funds under this clause to ensure maximum and equitable distribution among all such eligible institutions.

(c) DEFINITIONS.—

(1) ASIAN AMERICAN.—The term “Asian American” has the meaning given the term “Asian” in the Office of Management and Budget's Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity as published on October 30, 1997 (62 Fed. Reg. 58789).

(2) ASIAN AMERICAN AND NATIVE AMERICAN PACIFIC ISLANDER-SERVING INSTITUTION.—The term “Asian American and Native American Pacific Islander-serving institution” means an institution of higher education that—

(A) is an eligible institution under section 312(b); and

(B) at the time of application, has an enrollment of undergraduate students that is at least 10 percent Asian American and Native American Pacific Islander students.

(3) ENROLLMENT OF NEEDY STUDENTS.—The term “enrollment of needy students” means the enrollment at an institution of higher education with respect to which not less than 50 percent of the undergraduate students enrolled in an academic program leading to a degree—

(A) in the second fiscal year preceding the fiscal year for which the determination is made, were Federal Pell Grant recipients for such year;

(B) come from families that receive benefits under a means-tested Federal benefit program (as defined in paragraph (5));

(C) attended a public or nonprofit private secondary school—

(i) that is in the school district of a local educational agency that was eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 for any year during which the student attended such secondary school; and

(ii) which for the purpose of this paragraph and for that year was determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under a measure of poverty described in section 1113(a)(5) of such Act exceeds 30 percent of the total enrollment of such school; or

(D) are first-generation college students (as that term is defined in section 402A(h)), and a majority of such first-generation college students are low-income individuals.

(4) LOW-INCOME INDIVIDUAL.—The term “low-income individual” has the meaning given such term in section 402A(h).

(5) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—The term “means-tested Federal benefit program” means a program of the Federal Government, other than a program under title IV, in which eligibility for the programs’ benefits or the amount of such benefits are determined on the basis of income or resources of the individual or family seeking the benefit.

(6) NATIVE AMERICAN.—The term “Native American” means an individual who is of a tribe, people, or culture that is indigenous to the United States.

(7) NATIVE AMERICAN PACIFIC ISLANDER.—The term “Native American Pacific Islander” means any descendant of the aboriginal people of any island in the Pacific Ocean that is a territory or possession of the United States.

(8) NATIVE AMERICAN-SERVING NONTRIBAL INSTITUTION.—The term “Native American-serving nontribal institution” means an institution of higher education that—

(A) at the time of application—

(i) has an enrollment of undergraduate students that is not less than 10 percent Native American students; and

(ii) is not a Tribal College or University (as defined in section 316); and

(B) submits to the Secretary such enrollment data as may be necessary to demonstrate that the institution is described in subparagraph (A), along with such other information and data as the Secretary may by regulation require.

(9) **PREDOMINANTLY BLACK INSTITUTION.**—The term “Predominantly Black institution” means an institution of higher education that—

(A) has an enrollment of needy students as defined by paragraph (3);

(B) has an average educational and general expenditure which is low, per full-time equivalent undergraduate student in comparison with the average educational and general expenditure per full-time equivalent undergraduate student of institutions of higher education that offer similar instruction, except that the Secretary may apply the waiver requirements described in section 392(b) to this subparagraph in the same manner as the Secretary applies the waiver requirements to section 312(b)(1)(B);

(C) has an enrollment of undergraduate students—

(i) that is at least 40 percent Black American students;

(ii) that is at least 1,000 undergraduate students;

(iii) of which not less than 50 percent of the undergraduate students enrolled at the institution are low-income individuals or first-generation college students (as that term is defined in section 402A(h)); and

(iv) of which not less than 50 percent of the undergraduate students are enrolled in an educational program leading to a bachelor’s or associate’s degree that the institution is licensed to award by the State in which the institution is located;

(D) is legally authorized to provide, and provides within the State, an educational program for which the institution of higher education awards a bachelor’s degree, or in the case of a junior or community college, an associate’s degree;

(E) is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be a reliable authority as to the quality of training offered, or is, according to such an agency or association, making reasonable progress toward accreditation; and

(F) is not receiving assistance under—

(i) part B;

(ii) [part A of] title V; or

(iii) an annual authorization of appropriations under the Act of March 2, 1867 (14 Stat. 438; 20 U.S.C. 123).

PART G—GENERAL PROVISIONS

SEC. 391. APPLICATIONS FOR ASSISTANCE.

(a) APPLICATIONS.—

(1) APPLICATIONS REQUIRED.—Any institution which is eligible for assistance under this title shall submit to the Secretary

an application for assistance at such time, in such form, and containing such information, as may be necessary to enable the Secretary to evaluate the institution's need for the assistance. Subject to the availability of appropriations to carry out this title, the Secretary may approve an application for assistance under this title only if the Secretary determines that—

(A) the application meets the requirements of subsection (b);

(B) the applicant is eligible for assistance in accordance with the part of this title under which the assistance is sought; and

(C) the applicant's performance goals are sufficiently rigorous as to meet the purposes of this title and the performance objectives and indicators for this title established by the Secretary pursuant to the Government Performance and Results Act of 1993 and the amendments made by such Act.

(2) PRELIMINARY APPLICATIONS.—In carrying out paragraph (1), the Secretary may develop a preliminary application for use by eligible institutions applying under part A prior to the submission of the principal application.

(b) CONTENTS.—An institution, in its application for a grant, shall—

(1) set forth, or describe how the institution (other than an institution applying under part C, D or E) will develop, a comprehensive development plan to strengthen the institution's academic quality and [institutional management, and otherwise provide for institutional self-sufficiency and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);] *institutional management, and use the grant to provide for, and lead to, institutional self-sustainability and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);*

(2) set forth policies and procedures to ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of section 311(b) or 323, and in no case supplant those funds;

(3) set forth policies and procedures for evaluating the effectiveness in accomplishing the purpose of the activities for which a grant is sought under this title;

(4) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds made available to the applicant under this title;

(5) provide (A) for making such reports, in such form and containing such information, as the Secretary may require to carry out the functions under this title, including not less than one report annually setting forth the institution's progress toward achieving the objectives for which the funds were awarded, and (B) for keeping such records and affording such access thereto, as the Secretary may find necessary to assure the correctness and verification of such reports;

(6) provide that the institution will comply with the limitations set forth in section 396, except that for purposes of section 316, paragraphs (2) and (3) of section 396 shall not apply;

(7) describe in a comprehensive manner any proposed project for which funds are sought under the application and include—

(A) a description of the various components of the proposed project, including the estimated time required to complete each such component;

(B) in the case of any development project which consists of several components (as described by the applicant pursuant to subparagraph (A)), a statement identifying those components which, if separately funded, would be sound investments of Federal funds and those components which would be sound investments of Federal funds only if funded under this title in conjunction with other parts of the development project (as specified by the applicant);

[(C) an evaluation by the applicant of the priority given any proposed project for which funds are sought in relation to any other projects for which funds are sought by the applicant under this title, and a similar evaluation regarding priorities among the components of any single proposed project (as described by the applicant pursuant to subparagraph (A));]

[(D)] (C) a detailed budget showing the manner in which funds for any proposed project would be spent by the applicant; and

[(E)] (D) a detailed description of any activity which involves the expenditure of more than \$25,000, as identified in the budget referred to in subparagraph (D); [and]

[(8) include such other information as the Secretary may prescribe.]

(8) *set forth a 5-year plan for improving the assistance provided by the institution; and*

(9) *submit such enrollment data as may be necessary to demonstrate that the institution is a minority-serving institution.*

(c) **PRIORITY CRITERIA PUBLICATION REQUIRED.**—The Secretary shall publish in the Federal Register, pursuant to chapter 5 of title 5, United States Code, all policies and procedures required to exercise the authority set forth in subsection (a). No other criteria, policies, or procedures shall apply.

(d) **ELIGIBILITY DATA.**—The Secretary shall use the most recent and relevant data concerning the number and percentage of students receiving need-based assistance under title IV of this Act in making eligibility determinations under section 312 and shall advance the base-year forward following each annual grant cycle.

(e) **TECHNICAL ASSISTANCE.**—The Secretary, directly or by grant or contract, may provide technical assistance to eligible institutions to prepare the institutions to qualify, apply for, and maintain a grant, under this title.

SEC. 392. WAIVER AUTHORITY AND REPORTING REQUIREMENT.

(a) **WAIVER REQUIREMENTS; NEED-BASED ASSISTANCE STUDENTS.**—The Secretary may waive the requirements set forth in section 312(b)(1)(A) in the case of an institution—

(1) which is extensively subsidized by the State in which it is located and charges low or no tuition;

(2) which serves a substantial number of low-income students as a percentage of its total student population;

(3) which is contributing substantially to increasing higher education opportunities for educationally disadvantaged, underrepresented, or minority students, who are low-income individuals;

(4) which is substantially increasing higher educational opportunities for individuals in rural or other isolated areas which are unserved by postsecondary institutions;

(5) located on or near an Indian reservation or a substantial population of Indians, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of American Indians;

(6) that is a tribally controlled college or university as defined in section 2 of the Tribally Controlled Colleges and Universities Assistance Act of 1978; or

(7) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of Black Americans, Hispanic Americans, Native Americans, Asian Americans, or Pacific Islanders, including Native Hawaiians.

(b) **WAIVER DETERMINATIONS; EXPENDITURES; COMPLETION RATES.**—(1) The Secretary may waive the requirements set forth in section 312(b)(1)(B) or 312(b)(3) if the Secretary determines, based on persuasive evidence submitted by the institution, that the institution's failure to meet that criterion is due to factors which, when used in the determination of compliance with such criterion, distort such determination, and that the institution's designation as an eligible institution under part A is otherwise consistent with the purposes of such parts.

(2) The Secretary shall submit to the Congress every other year a report concerning the institutions which, although not satisfying the criterion contained in section 312(b)(1)(B) or 312(b)(3), have been determined to be eligible institutions under part A which enroll significant numbers of Black American, Hispanic American, Native American, Asian American, or Native Hawaiian students under part A, as the case may be. Such report shall—

(A) identify the factors referred to in paragraph (1) which were considered by the Secretary as factors that distorted the determination of compliance with subparagraphs (A) and (B) of section 312(b)(1) or section 312(b)(3); and

(B) contain a list of each institution determined to be an eligible institution under part A including a statement of the reasons for each such determination.

(3) The Secretary may waive the requirement set forth in section 312(b)(1)(E) in the case of an institution located on or near an Indian reservation or a substantial population of Indians, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of American Indians.

[(c) WAIVER AUTHORITY WITH RESPECT TO INSTITUTIONS LOCATED IN AN AREA AFFECTED BY A GULF HURRICANE DISASTER.—

[(1) WAIVER AUTHORITY.—Notwithstanding any other provision of law, unless enacted with specific reference to this section, for any affected institution that was receiving assistance

under this title at the time of a Gulf hurricane disaster, the Secretary shall, for each of the fiscal years 2009 through 2011 (and may, for each of the fiscal years 2012 and 2013)—

【(A) waive—

【(i) the eligibility data requirements set forth in section 391(d);

【(ii) the wait-out period set forth in section 313(d);

【(iii) the allotment requirements under section 324; and

【(iv) the use of the funding formula developed pursuant to section 326(f)(3);

【(B) waive or modify any statutory or regulatory provision to ensure that affected institutions that were receiving assistance under this title at the time of a Gulf hurricane disaster are not adversely affected by any formula calculation for fiscal year 2009 or for any of the four succeeding fiscal years, as necessary; and

【(C) make available to each affected institution an amount that is not less than the amount made available to such institution under this title for fiscal year 2006, except that for any fiscal year for which the funds appropriated for payments under this title are less than the appropriated level for fiscal year 2006, the amount made available to such institutions shall be ratably reduced among the institutions receiving funds under this title.

【(2) DEFINITIONS.—In this subsection:

【(A) AFFECTED INSTITUTION.—The term “affected institution” means an institution of higher education that—

【(i) is—

【(I) a part A institution (which term shall have the meaning given the term “eligible institution” under section 312(b)); or

【(II) a part B institution, as such term is defined in section 322(2), or as identified in section 326(e);

【(ii) is located in an area affected by a Gulf hurricane disaster; and

【(iii) is able to demonstrate that, as a result of the impact of a Gulf hurricane disaster, the institution—

【(I) incurred physical damage;

【(II) has pursued collateral source compensation from insurance, the Federal Emergency Management Agency, and the Small Business Administration, as appropriate; and

【(III) was not able to fully reopen in existing facilities or to fully reopen to the pre-hurricane enrollment levels during the 30-day period beginning on August 29, 2005.

【(B) AREA AFFECTED BY A GULF HURRICANE DISASTER; GULF HURRICANE DISASTER.—The terms “area affected by a Gulf hurricane disaster” and “Gulf hurricane disaster” have the meanings given such terms in section 209 of the Higher Education Hurricane Relief Act of 2005 (Public Law 109–148, 119 Stat. 2809).】

(c) **WAIVER AUTHORITY WITH RESPECT TO INSTITUTIONS LOCATED IN AN AREA AFFECTED BY A MAJOR DISASTER.**—

(1) **WAIVER AUTHORITY.**—Notwithstanding any other provision of law, unless enacted with specific reference to this section, in the case of a major disaster, the Secretary may waive for affected institutions—

(A) the eligibility data requirements set forth in section 391(d) and section 521(e);

(B) the allotment requirements under section 324; and

(C) the use of the funding formula developed pursuant to section 326(f)(3);

(2) **DEFINITIONS.**—In this subsection:

(A) **AFFECTED INSTITUTION.**—The term “affected institution” means an institution of higher education that—

(i) is—

(I) a part A institution (which term shall have the meaning given the term “eligible institution” under section 312(b) or section 502(a)(6)); or

(II) a part B institution, as such term is defined in section 322(2), or as identified in section 326(e);

(ii) is located in an area affected by a major disaster; and

(iii) is able to demonstrate that, as a result of the impact of a major disaster, the institution—

(I) incurred physical damage;

(II) has pursued collateral source compensation from insurance, the Federal Emergency Management Agency, and the Small Business Administration, as appropriate; and

(III) was not able to fully reopen in existing facilities or to fully reopen to the pre-disaster enrollment levels.

(B) **MAJOR DISASTER.**—The term “major disaster” has the meaning given such term in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)).

* * * * *

SEC. 399. AUTHORIZATIONS OF APPROPRIATIONS.

[(a) **AUTHORIZATIONS.**—

[(1) **PART A.**—(A) There are authorized to be appropriated to carry out part A (other than sections 316 through 320), \$135,000,000 for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.

[(B) There are authorized to be appropriated to carry out section 316, \$30,000,000 for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.

[(C) There are authorized to be appropriated to carry out section 317, \$15,000,000 for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.

[(D) There are authorized to be appropriated to carry out section 318, \$75,000,000 for fiscal year 2009 and each of the five succeeding fiscal years.

【(E) There are authorized to be appropriated to carry out section 319, \$25,000,000 for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.

【(F) There are authorized to be appropriated to carry out section 320, \$30,000,000 for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.

【(2) PART B.—(A) There are authorized to be appropriated to carry out part B (other than section 326), \$375,000,000 for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.

【(B) There are authorized to be appropriated to carry out section 326, \$125,000,000 for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.

【(3) PART C.—There are authorized to be appropriated to carry out part C, \$10,000,000 for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.

【(4) PART D.—(A) There are authorized to be appropriated to carry out part D (other than section 345(9), but including section 347), \$185,000 for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.

【(B) There are authorized to be appropriated to carry out section 345(9) such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

【(5) PART E.—(A) There are authorized to be appropriated to carry out subpart 1 of part E, \$12,000,000 for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.

【(B) There are authorized to be appropriated to carry out subpart 2 of part E, such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.】

(a) AUTHORIZATIONS.—

(1) PART A.—(A) *There are authorized to be appropriated to carry out section 316, \$27,599,000 for each of fiscal years 2019 through 2024.*

(B) *There are authorized to be appropriated to carry out section 317, \$13,802,000 for each of fiscal years 2019 through 2024.*

(C) *There are authorized to be appropriated to carry out section 318, \$9,942,000 for each of fiscal years 2019 through 2024.*

(D) *There are authorized to be appropriated to carry out section 319, \$3,348,000 for each of fiscal years 2019 through 2024.*

(E) *There are authorized to be appropriated to carry out section 320, \$3,348,000 for each of fiscal years 2019 through 2024.*

(2) PART B.—(A) *There are authorized to be appropriated to carry out part B (other than section 326), \$244,694,000 for each of fiscal years 2019 through 2024.*

(B) *There are authorized to be appropriated to carry out section 326, \$63,281,000 for each of fiscal years 2019 through 2024.*

(3) PART D.—*There are authorized to be appropriated to carry out part D, \$20,484,000 for each of fiscal years 2019 through 2024. Of the amount authorized, 1.63 percent shall be reserved for administrative expenses.*

(4) *PART E.*—*There are authorized to be appropriated to carry out subpart 1 of part E, \$9,648,000 for each of fiscal years 2019 through 2024.*

(b) **USE OF MULTIPLE YEAR AWARDS.**—In the event of a multiple year award to any institution under this title, the Secretary shall make funds available for such award from funds appropriated for this title for the fiscal year in which such funds are to be used by the recipient.

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TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

* * * * *

Subpart 1—Federal Pell Grants

SEC. 401. FEDERAL PELL GRANTS: AMOUNT AND DETERMINATIONS; APPLICATIONS.

(a) **PROGRAM AUTHORITY AND METHOD OF DISTRIBUTION.**—(1) For each fiscal year through ~~【fiscal year 2017】~~ *fiscal year 2024*, the Secretary shall pay to each eligible institution such sums as may be necessary to pay to each eligible student (defined in accordance with section 484) for each academic year during which that student is in attendance at *an eligible program at* an institution of higher education, as an undergraduate, a Federal Pell Grant in the amount for which that student is eligible, as determined pursuant to subsection (b). Not less than 85 percent of such sums shall be advanced to eligible institutions prior to the start of each payment period and shall be based upon an amount requested by the institution as needed to pay eligible students until such time as the Secretary determines and publishes in the Federal Register with an opportunity for comment, an alternative payment system that provides payments to institutions in an accurate and timely manner, except that this sentence shall not be construed to limit the authority of the Secretary to place an institution on a reimbursement system of payment.

(2) Nothing in this section shall be interpreted to prohibit the Secretary from paying directly to students, in advance of the beginning of the academic term, an amount for which they are eligible, in cases where the eligible institution elects not to participate in the disbursement system required by paragraph (1).

(3) Grants made under this subpart shall be known as “Federal Pell Grants”.

(b) **PURPOSE AND AMOUNT OF GRANTS.**—(1) The purpose of this subpart is to provide a Federal Pell Grant that in combination with reasonable family and student contribution and supplemented by the programs authorized under subparts 3 and 4 of this part, will meet at least 75 percent of a student’s cost of attendance (as defined in section 472), unless the institution determines that a greater amount of assistance would better serve the purposes of this section.

(2)

(A) The amount of the Federal Pell Grant for a student eligible under this part shall be—

(i) the maximum Federal Pell Grant, as specified in the last enacted appropriation Act applicable to that award year, plus

(ii) the amount of the increase calculated under paragraph (7)(B) for that year, less

(iii) an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.

(B) In any case where a student attends an institution of higher education on less than a full-time basis (including a student who attends an institution of higher education on less than a half-time basis) during any academic year, the amount of the Federal Pell Grant to which that student is entitled shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis, in accordance with a schedule of reductions established by the Secretary for the purposes of this division, computed in accordance with this subpart. Such schedule of reductions shall be established by regulation and published in the Federal Register in accordance with section 482 of this Act.

(3) No Federal Pell Grant under this subpart shall exceed the difference between the expected family contribution for a student and the cost of attendance (as defined in section 472) at the institution at which that student is in attendance. If, with respect to any student, it is determined that the amount of a Federal Pell Grant plus the amount of the expected family contribution for that student exceeds the cost of attendance for that year, the amount of the Federal Pell Grant shall be reduced until the combination of expected family contribution and the amount of the Federal Pell Grant does not exceed the cost of attendance at such institution.

(4) No Federal Pell Grant shall be awarded to a student under this subpart if the amount of that grant for that student as determined under this subsection for any academic year is less than ten percent of the maximum amount of a Federal Pell Grant award determined under paragraph (2)(A) for such academic year.

(5) Notwithstanding any other provision of this subpart, the Secretary shall allow the amount of the Federal Pell Grant to be exceeded for students participating in a program of study abroad approved for credit by the institution at which the student is enrolled when the reasonable costs of such program are greater than the cost of attendance at the student's home institution, except that the amount of such Federal Pell Grant in any fiscal year shall not exceed the maximum amount of a Federal Pell Grant award determined under paragraph (2)(A), for which a student is eligible during such award year. If the preceding sentence applies, the financial aid administrator at the home institution may use the cost of the study abroad program, rather than the home institution's cost, to determine the cost of attendance of the student.

(6) No Federal Pell Grant shall be awarded under this subpart to any individual who is incarcerated in any Federal or State penal institution or who is subject to an involuntary civil commitment upon completion of a period of incarceration for a forcible or nonforcible sexual offense (as determined in accordance with the Federal Bureau of Investigation's Uniform Crime Reporting Program).

(7) ADDITIONAL FUNDS.—

(A) IN GENERAL.—There are authorized to be appropriated, and there are appropriated (in addition to any other amounts appropriated to carry out this section and out of any money in the Treasury not otherwise appropriated) the following amounts—

(i) \$2,030,000,000 for fiscal year 2008;

(ii) \$2,090,000,000 for fiscal year 2009;

(iii) to carry out subparagraph (B) of this paragraph *and paragraph (9)*, such sums as may be necessary for fiscal year 2010 and each subsequent fiscal year to provide the amount of increase of the maximum Federal Pell Grant required by clauses (ii) and (iii) of subparagraph (B) *and to provide the additional amount required by paragraph (9)*; and

(iv) to carry out this section—

(I) \$13,500,000,000 for fiscal year 2011;

(II) \$13,795,000,000 for fiscal year 2012;

(III) \$7,587,000,000 for fiscal year 2013;

(IV) \$588,000,000 for fiscal year 2014;

(V) \$0 for fiscal year 2015;

(VI) \$0 for fiscal year 2016;

(VII) \$1,320,000,000 for fiscal year 2017;

(VIII) \$1,382,000,000 for fiscal year 2018;

(IX) \$1,409,000,000 for fiscal year 2019;

(X) \$1,430,000,000 for fiscal year 2020; and

(XI) \$1,145,000,000 for fiscal year 2021 and

each succeeding fiscal year.

(B) INCREASE IN FEDERAL PELL GRANTS.—The amounts made available pursuant to clauses (i) through (iii) of subparagraph (A) of this paragraph shall be used to increase the amount of the maximum Federal Pell Grant for which a student shall be eligible during an award year, as specified in the last enacted appropriation Act applicable to that award year, by—

(i) \$490 for each of the award years 2008–2009 and 2009–2010;

(ii) \$690 for each of the award years 2010–2011, 2011–2012, and 2012–2013; and

(iii) the amount determined under subparagraph (C) for each succeeding award year.

(C) ADJUSTMENT AMOUNTS.—

(i) AWARD YEAR 2013–2014.—For award year 2013–2014, the amount determined under this subparagraph for purposes of subparagraph (B)(iii) shall be equal to—

(I) \$5,550 or the total maximum Federal Pell Grant for the preceding award year (as determined under clause (iv)(II)), whichever is greater, increased by a percentage equal to the annual adjustment percentage for award year 2013–2014, reduced by

(II) \$4,860 or the maximum Federal Pell Grant for which a student was eligible for the preceding award year, as specified in the last enacted appro-

priation Act applicable to that year, whichever is greater; and

(III) rounded to the nearest \$5.

(ii) AWARD YEARS 2014–2015 THROUGH 2017–2018.—For each of the award years 2014–2015 through 2017–2018, the amount determined under this subparagraph for purposes of subparagraph (B)(iii) shall be equal to—

(I) the total maximum Federal Pell Grant for the preceding award year (as determined under clause (iv)(II)), increased by a percentage equal to the annual adjustment percentage for the award year for which the amount under this subparagraph is being determined, reduced by

(II) \$4,860 or the maximum Federal Pell Grant for which a student was eligible for the preceding award year, as specified in the last enacted appropriation Act applicable to that year, whichever is greater; and

(III) rounded to the nearest \$5.

(iii) SUBSEQUENT AWARD YEARS.—For award year 2018–2019 and each subsequent award year, the amount determined under this subparagraph for purposes of subparagraph (B)(iii) shall be equal to the amount determined under clause (ii) for award year 2017–2018.

(iv) DEFINITIONS.—For purposes of this subparagraph—

(I) the term “annual adjustment percentage” as applied to an award year, is equal to the estimated percentage change in the Consumer Price Index (as determined by the Secretary, using the definition in section 478(f)) for the most recent calendar year ending prior to the beginning of that award year; and

(II) the term “total maximum Federal Pell Grant” as applied to a preceding award year, is equal to the sum of—

(aa) the maximum Federal Pell Grant for which a student is eligible during an award year, as specified in the last enacted appropriation Act applicable to that preceding award year; and

(bb) the amount of the increase in the maximum Federal Pell Grant required by this paragraph for that preceding award year.

(D) PROGRAM REQUIREMENTS AND OPERATIONS OTHERWISE UNAFFECTED.—Except as provided in subparagraphs (B) and (C), nothing in this paragraph shall be construed to alter the requirements and operations of the Federal Pell Grant Program as authorized under this section, or authorize the imposition of additional requirements or operations for the determination and allocation of Federal Pell Grants under this section.

(E) RATABLY INCREASES AND DECREASES.—The amounts specified in subparagraph (B) shall be ratably increased or decreased to the extent that funds available under subparagraph (A) exceed or are less than (respectively) the amount required to provide the amounts specified in subparagraph (B).

(F) AVAILABILITY OF FUNDS.—The amounts made available by subparagraph (A) for any fiscal year shall be available beginning on October 1 of that fiscal year, and shall remain available through September 30 of the succeeding fiscal year.

(8)(A) Effective in the 2017–2018 award year and thereafter, the Secretary shall award an eligible student not more than one and one-half Federal Pell Grants during a single award year to permit such student to work toward completion of an eligible program if, during that single award year, the student—

(i) has received a Federal Pell Grant for an award year and is enrolled in an eligible program for one or more additional payment periods during the same award year that are not otherwise fully covered by the student's Federal Pell Grant; and

(ii) is enrolled on at least a half-time basis while receiving any funds under this section.

(B) In the case of a student receiving more than one Federal Pell Grant in a single award year under subparagraph (A), the total amount of Federal Pell Grants awarded to such student for the award year may exceed the maximum basic grant level specified in the appropriate appropriations Act for such award year.

(C) Any period of study covered by a Federal Pell Grant awarded under subparagraph (A) shall be included in determining a student's duration limit under subsection (c)(5).

(D) In any case where an eligible student is receiving a Federal Pell Grant for a payment period that spans two award years, the Secretary shall allow the eligible institution in which the student is enrolled to determine the award year to which the additional period shall be assigned, as it determines is most beneficial to students.

(9) FEDERAL PELL GRANT BONUS.—

(A) IN GENERAL.—*Notwithstanding any other provision of this subsection and from the amounts made available pursuant to paragraph (7)(A)(iii) for the purposes of this paragraph, an eligible student who is receiving a Federal Pell Grant for an award year shall receive an amount in addition to such Federal Pell Grant for each payment period of such award year for which the student—*

(i) is receiving such Federal Pell Grant as long as the amount of such Federal Pell Grant does not exceed the maximum amount of a Federal Pell Grant award determined under paragraph (2)(A) for such award year; and

(ii) is carrying a work load that—

(I) is greater than the normal full-time work load for the course of study the student is pursuing, as determined by the institution of higher education; and

(II) will lead to the completion of not less than 30 credit hours (or the equivalent coursework) upon the completion of the final payment period for which the student is receiving the Federal Pell Grant described in clause (i).

(B) AMOUNT OF BONUS.—The amount provided to an eligible student under subparagraph (A) for an award year may not exceed \$300, which shall be equally divided among each payment period of such award year described in clauses (i) and (ii) of subparagraph (A).

(c) PERIOD OF ELIGIBILITY FOR GRANTS.—(1) The period during which a student may receive Federal Pell Grants shall be the period required for the completion of the first undergraduate baccalaureate course of study being pursued by that student at the institution at which the student is in attendance except that any period during which the student is enrolled in a noncredit or remedial course of study as defined in paragraph (2) shall not be counted for the purpose of this paragraph.

(2) Nothing in this section shall exclude from eligibility courses of study which are noncredit or remedial in nature (including courses in English language instruction) which are determined by the institution to be necessary to help the student be prepared for the pursuit of a first undergraduate baccalaureate degree or certificate or, in the case of courses in English language instruction, to be necessary to enable the student to utilize already existing knowledge, training, or skills. Nothing in this section shall exclude from eligibility programs of study abroad that are approved for credit by the home institution at which the student is enrolled.

(3) No student is entitled to receive Pell Grant payments concurrently from more than one institution or from the Secretary and an institution.

(4) Notwithstanding paragraph (1), the Secretary may allow, on a case-by-case basis, a student to receive a basic grant if the student—

(A) is carrying at least one-half the normal full-time work load for the course of study the student is pursuing, as determined by the institution of higher education; and

(B) is enrolled or accepted for enrollment in a postbaccalaureate program that does not lead to a graduate degree, and in courses required by a State in order for the student to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary school or secondary school in that State,

except that this paragraph shall not apply to a student who is enrolled in an institution of higher education that offers a baccalaureate degree in education.

(5) The period during which a student may receive Federal Pell Grants shall not exceed 12 semesters, or the equivalent of 12 semesters, as determined by the Secretary by regulation. Such regulations shall provide, with respect to a student who received a Federal Pell Grant for a term but was enrolled at a fraction of full-

time, that only that same fraction of such semester or equivalent shall count towards such duration limits.

(6)(A) *The Secretary shall issue to each student receiving a Federal Pell Grant, an annual status report which shall—*

(i) inform the student of the remaining period during which the student may receive Federal Pell Grants in accordance with paragraph (5), and provide access to a calculator to assist the student in making such determination;

(ii) include an estimate of the Federal Pell Grant amounts which may be awarded for such remaining period based on the student's award amount determined under subsection (b)(2)(A) for the most recent award year;

(iii) explain how the estimate was calculated and any assumptions underlying the estimate;

(iv) explain that the estimate may be affected if there is a change—

(I) in the student's financial circumstances; or

(II) the availability of Federal funding; and

(v) describe how the remaining period during which the student may receive Federal Pell Grants will be affected by whether the student is enrolled as a full-time student.

(B) Nothing in this paragraph shall be construed to prohibit an institution from offering additional counseling to a student with respect to Federal Pell Grants, but such counseling shall not delay or impede disbursement of a Federal Pell Grant award to the student.

(d) APPLICATIONS FOR GRANTS.—(1) The Secretary shall from time to time set dates by which students shall file applications for Federal Pell Grants under this subpart.

(2) Each student desiring a Federal Pell Grant for any year shall file an application therefor containing such information and assurances as the Secretary may deem necessary to enable the Secretary to carry out the functions and responsibilities of this subpart.

(e) DISTRIBUTION OF GRANTS TO STUDENTS.—[Payments under this section shall be made in accordance with regulations promulgated by the Secretary for such purpose, in such manner as will best accomplish the purpose of this section.] *Payments under this section shall be made in the same manner as disbursements under section 465(a).* Any disbursement allowed to be made by crediting the student's account shall be limited to tuition and fees and, in the case of institutionally owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student's account.

(f) CALCULATION OF ELIGIBILITY.—(1) Each contractor processing applications for awards under this subpart (including a central processor, if any, designated by the Secretary) shall, in a timely manner, furnish to the student financial aid administrator (at each institution of higher education which a student awarded a Federal Pell Grant under this subpart is attending), as a part of its regular output document, the expected family contribution for each such student. Each such student financial aid administrator shall—

(A) examine and assess the data used to calculate the expected family contribution of the student furnished pursuant to this subsection;

(B) recalculate the expected family contribution of the student if there has been a change in circumstances of the student or in the data submitted;

(C) make the award to the student in the correct amount; and

(D) after making such award report the corrected data to such contractor and to a central processor (if any) designated by the Secretary for a confirmation of the correct computation of amount of the expected family contribution for each such student.

(2) Whenever a student receives an award under this subpart that, due to recalculation errors by the institution of higher education, is in excess of the amount which the student is entitled to receive under this subpart, such institution of higher education shall pay to the Secretary the amount of such excess unless such excess can be resolved in a subsequent disbursement to the institution.

(3) Each contractor processing applications for awards under this subpart shall for each academic year after academic year 1986–1987 prepare and submit a report to the Secretary on the correctness of the computations of amount of the expected family contribution, and on the accuracy of the questions on the application form under this subpart for the previous academic year for which the contractor is responsible. The Secretary shall transmit the report, together with the comments and recommendations of the Secretary, to the Committee on Appropriations of the Senate, the Committee on Appropriations of the House of Representatives, and the authorizing committees.

(g) INSUFFICIENT APPROPRIATIONS.—If, for any fiscal year, the funds appropriated for payments under this subpart are insufficient to satisfy fully all entitlements, as calculated under subsection (b) (but at the maximum grant level specified in such appropriation), the Secretary shall promptly transmit a notice of such insufficiency to each House of the Congress, and identify in such notice the additional amount that would be required to be appropriated to satisfy fully all entitlements (as so calculated at such maximum grant level).

(h) USE OF EXCESS FUNDS.—(1) If, at the end of a fiscal year, the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by 15 percent or less, then all of the excess funds shall remain available for making payments under this subpart during the next succeeding fiscal year.

(2) If, at the end of a fiscal year, the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by more than 15 percent, then all of such funds shall remain available for making such payments but payments may be made under this paragraph only with respect to entitlements for that fiscal year.

(i) TREATMENT OF INSTITUTIONS AND STUDENTS UNDER OTHER LAWS.—Any institution of higher education which enters into an agreement with the Secretary to disburse to students attending that institution the amounts those students are eligible to receive under this subpart shall not be deemed, by virtue of such agreement, a contractor maintaining a system of records to accomplish

a function of the Secretary. Recipients of Pell Grants shall not be considered to be individual grantees for purposes of subtitle D of title V of Public Law 100-690.

(j) INSTITUTIONAL INELIGIBILITY BASED ON DEFAULT RATES.—

(1) IN GENERAL.—No institution of higher education shall be an eligible institution for purposes of this subpart if such institution of higher education is ineligible to participate in a loan program under part B or D as a result of a final default rate determination made by the Secretary under part B or D after the final publication of cohort default rates for fiscal year 1996 or a succeeding fiscal year.

(2) SANCTIONS SUBJECT TO APPEAL OPPORTUNITY.—No institution may be subject to the terms of this subsection unless the institution has had the opportunity to appeal the institution's default rate determination under regulations issued by the Secretary for the loan program authorized under part B or D, as applicable. This subsection shall not apply to an institution that was not participating in the loan program authorized under part B or D on the date of enactment of the Higher Education Amendments of 1998, unless the institution subsequently participates in the loan programs.

(3) SUNSET.—*The provisions of this subsection shall not apply after the transition period described in section 481B(e)(3).*

(k) PREVENTION OF FRAUD.—

(1) PROHIBITION OF AWARDS.—

(A) IN GENERAL.—*No Federal Pell Grant shall be awarded under this subpart to any student who—*

(i) received a Federal Pell Grant for 3 award years; and

(ii) for each such award year, was enrolled in an institution of higher education and did not earn any academic credit for which the Federal Pell Grant was provided.

(B) WAIVER.—*The student financial aid administrator at an institution of higher education may waive the requirement of subparagraph (A) for a student, if the financial aid administrator—*

(i) determines that the student was unable to earn any academic credit as described in subparagraph (A)(ii) due to circumstances beyond the student's control; and

(ii) makes and documents such a determination on an individual student basis.

(C) DEFINITION OF CIRCUMSTANCES BEYOND A STUDENT'S CONTROL.—*For purposes of this paragraph, the term "circumstances beyond the student's control", when used with respect to an individual student—*

(i) may include the student withdrawing from an institution of higher education due to illness; and

(ii) shall not include the student withdrawing from an institution of higher education to avoid a particular grade.

(2) SECRETARIAL DISCRETION TO STOP AWARDS.—*With respect to a student who receives a disbursement of a Federal Pell Grant for a payment period of an award year and whom the*

Secretary determines has had an unusual enrollment history, the Secretary may prevent such student from receiving any additional disbursements of such Federal Pell Grant for such award year until the student financial aid administrator at the student's institution of higher education determines that the student's enrollment history should not be considered an unusual enrollment history.

(l) REPORT ON COSTS OF FEDERAL PELL GRANT PROGRAM.—Not later than October 31 of each year, the Secretary shall prepare and submit a report to the authorizing committees that includes the following information with respect to spending for the Federal Pell Grant program for the preceding fiscal year:

(1) The total obligations and expenditures for the program for such fiscal year.

(2) A comparison of the total obligations and expenditures for the program for such fiscal year—

(A) to the most recently available Congressional Budget Office baseline for the program; and

(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for the program included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.

(3) The total obligations and expenditures for the maximum Federal Pell Grant for which a student is eligible, as specified in the last enacted appropriation Act applicable to such fiscal year.

(4) A comparison of the total obligations and expenditures for the maximum Federal Pell Grant for which a student is eligible, as specified in the last enacted appropriation Act applicable to such fiscal year—

(A) to the most recently available Congressional Budget Office baseline for such maximum Federal Pell Grant; and

(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for such maximum Federal Pell Grant included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.

(5) The total mandatory obligations and expenditures for the amount of the increase in such maximum Federal Pell Grant required by subsection (b)(7)(B) for such fiscal year.

(6) A comparison of the total mandatory obligations and expenditures for the amount of the increase in such maximum Federal Pell Grant required by subsection (b)(7)(B)—

(A) to the most recently available Congressional Budget Office baseline for the increase; and

(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for the increase included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.

(7) *The total mandatory obligations and expenditures for the Federal Pell Grant Bonus required by subsection (b)(9) for such fiscal year.*

(8) *A comparison of the total mandatory obligations and expenditures for the Federal Pell Grant Bonus required by subsection (b)(9) for such fiscal year—*

(A) to the most recently available Congressional Budget Office baseline for such bonus; and

(B) in the case in which such fiscal year is fiscal year 2019, 2020, 2021, 2022, 2023, or 2024, to the Congressional Budget Office cost estimate for such bonus included in the report of the Committee on Education and the Workforce of the House of Representatives accompanying the PROSPER Act, as approved by the Committee.

(m) *REPORT AND STUDY ON FEDERAL PELL GRANT BONUS.—*

(1) REPORT.—

(A) IN GENERAL.—The Secretary shall report annually, in accordance with subparagraph (C), on the Federal Pell Grant Bonus required by subsection (b)(9).

(B) ELEMENTS.—Each report required under subparagraph (A) shall include an assessment of the following:

(i) The number of students who received the Federal Pell Grant Bonus under subsection (b)(9).

(ii) Of the students counted under clause (i)—

(I) the number of such students who obtained a degree or certificate within the normal time to completion for the program for which the Federal Pell Grant Bonus was awarded; and

(II) the number of such students who obtained a degree or certificate—

(aa) within 4 years of beginning the program of study for which the Federal Pell Grant Bonus was awarded;

(bb) within 5 years of beginning such program of study; and

(cc) within 6 years of beginning such program of study.

(C) SUBMISSION OF REPORTS.—

(i) INITIAL REPORT.—Not later than one year after the first cohort of students described in subparagraph (B)(i) is expected to complete their program of study, the Secretary shall submit to the authorizing committees an initial report under subparagraph (A).

(ii) ANNUAL UPDATES.—On an annual basis, the Secretary shall update the report under subparagraph (A) and submit the updated report to the authorizing committees.

(2) STUDY.—Not later than 18 months after the date of the submission of the initial report under paragraph (1)(C)(i), the Comptroller General of the United States shall complete a study on the impact of the Federal Pell Grant Bonus required under subsection (b)(9). The study shall include an assessment of the following:

(A) Of the students who received the Federal Pell Grant Bonus, the number of such students who had a lower vol-

ume of student loans upon completion of their program of study compared to students who received a Federal Pell Grant but did not receive the Federal Pell Grant Bonus.

(B) Whether students who received the Federal Pell Grant Bonus took an increased courseload as a result of the availability of the Federal Pell Grant Bonus.

(C) The completion rate of students who received the Federal Pell Grant Bonus compared to the completion rate of students who did not receive the bonus.

[SEC. 401A. ACADEMIC COMPETITIVENESS GRANTS.

[(a) ACADEMIC COMPETITIVENESS GRANT PROGRAM AUTHORIZED.—The Secretary shall award grants, in the amounts specified in subsection (d)(1), to eligible students to assist the eligible students in paying their college education expenses.

[(b) DESIGNATION.—A grant under this section—

[(1) for the first or second year of a program of undergraduate education shall be known as an “Academic Competitiveness Grant”; and

[(2) for the third, fourth, or fifth year of a program of undergraduate education shall be known as a “National Science and Mathematics Access to Retain Talent Grant” or a “National SMART Grant”.

[(c) DEFINITION OF ELIGIBLE STUDENT.—In this section the term “eligible student” means a student who, for the award year for which the determination of eligibility is made for a grant under this section—

[(1) is eligible for a Federal Pell Grant;

[(2) is enrolled or accepted for enrollment in an institution of higher education on not less than a half-time basis; and

[(3) in the case of a student enrolled or accepted for enrollment in—

[(A) the first year of a program of undergraduate education at a two- or four-year degree-granting institution of higher education (including a program of not less than one year for which the institution awards a certificate)—

[(i)(I) successfully completes, after January 1, 2006, but before July 1, 2009, a rigorous secondary school program of study established by a State or local educational agency and recognized as such by the Secretary; or

[(ii)(II) successfully completes, on or after July 1, 2009, a rigorous secondary school program of study that prepares students for college—

[(aa)(AA) that is recognized as such by the official designated for such recognition consistent with State law; and

[(bb)(BB) about which the designated official has reported to the Secretary, at such time as the Secretary may reasonably require, in order to assist financial aid administrators to determine that the student is an eligible student under this section; or

[(cc)(bb) that is recognized as such by the Secretary in regulations promulgated to carry out this sec-

tion, as such regulations were in effect on May 6, 2008; and

[(ii) has not been previously enrolled in a program of undergraduate education, except as part of a secondary school program of study;

[(B) the second year of a program of undergraduate education at a two- or four-year degree-granting institution of higher education (including a program of not less than two years for which the institution awards a certificate)—

[(i)(I) successfully completes, after January 1, 2005, but before July 1, 2009, a rigorous secondary school program of study established by a State or local educational agency and recognized as such by the Secretary; or

[(II) successfully completes, on or after July 1, 2009, a rigorous secondary school program of study that prepares students for college—

[(aa)(AA) that is recognized as such by the official designated for such recognition consistent with State law; and

[(BB) about which the designated official has reported to the Secretary, at such time as the Secretary may reasonably require, in order to assist financial aid administrators to determine that the student is an eligible student under this section; or

[(bb) that is recognized as such by the Secretary in regulations promulgated to carry out this section, as such regulations were in effect on May 6, 2008; and

[(ii) has obtained a cumulative grade point average of at least 3.0 (or the equivalent as determined under regulations prescribed by the Secretary) at the end of the first year of such program of undergraduate education;

[(C) the third or fourth year of a program of undergraduate education at a four-year degree-granting institution of higher education—

[(i) is certified by the institution to be pursuing a major in—

[(I) the physical, life, or computer sciences, mathematics, technology, or engineering (as determined by the Secretary pursuant to regulations); or

[(II) a critical foreign language; and

[(ii) has obtained a cumulative grade point average of at least 3.0 (or the equivalent as determined under regulations prescribed by the Secretary) in the coursework required for the major described in clause (i);

[(D) the third or fourth year of a program of undergraduate education at an institution of higher education (as defined in section 101(a)), is attending an institution that demonstrates, to the satisfaction of the Secretary, that the institution—

[(i) offers a single liberal arts curriculum leading to a baccalaureate degree, under which students are not permitted by the institution to declare a major in a particular subject area, and the student—

[(I)(aa) studies, in such years, a subject described in subparagraph (C)(i) that is at least equal to the requirements for an academic major at an institution of higher education that offers a baccalaureate degree in such subject, as certified by an appropriate official from the institution; and

[(bb) has obtained a cumulative grade point average of at least 3.0 (or the equivalent as determined under regulations prescribed by the Secretary) in the relevant coursework; or

[(II) is required, as part of the student's degree program, to undertake a rigorous course of study in mathematics, biology, chemistry, and physics, which consists of at least—

[(aa) 4 years of study in mathematics; and

[(bb) 3 years of study in the sciences, with a laboratory component in each of those years; and

[(ii) offered such curriculum prior to February 8, 2006; or

[(E) the fifth year of a program of undergraduate education that requires 5 full years of coursework, as certified by the appropriate official of the degree-granting institution of higher education, for which a baccalaureate degree is awarded by a degree-granting institution of higher education—

[(i) is certified by the institution of higher education to be pursuing a major in—

[(I) the physical, life, or computer sciences, mathematics, technology, or engineering (as determined by the Secretary pursuant to regulations); or

[(II) a critical foreign language; and

[(ii) has obtained a cumulative grade point average of at least 3.0 (or the equivalent, as determined under regulations prescribed by the Secretary) in the coursework required for the major described in clause (i).

[(d) GRANT AWARD.—

[(1) AMOUNTS.—

[(A) IN GENERAL.—The Secretary shall award a grant under this section in the amount of—

[(i) \$750 for an eligible student under subsection (c)(3)(A);

[(ii) \$1,300 for an eligible student under subsection (c)(3)(B);

[(iii) \$4,000 for an eligible student under subparagraph (C) or (D) of subsection (c)(3), for each of the two years described in such subparagraphs; or

[(iv) \$4,000 for an eligible student under subsection (c)(3)(E).

[(B) LIMITATION; RATABLE REDUCTION.—Notwithstanding subparagraph (A)—

[(i) in any case in which a student attends an institution of higher education on less than a full-time basis, the amount of the grant that such student may receive shall be reduced in the same manner as a Federal Pell Grant is reduced under section 401(b)(2)(B);

[(ii) the amount of such grant, in combination with the Federal Pell Grant assistance and other student financial assistance available to such student, shall not exceed the student's cost of attendance;

[(iii) if the amount made available under subsection (e) for any fiscal year is less than the amount required to be provided grants to all eligible students in the amounts determined under subparagraph (A) and clause (i) of this subparagraph, then the amount of the grant to each eligible student shall be ratably reduced; and

[(iv) if additional amounts are appropriated for any such fiscal year, such reduced amounts shall be increased on the same basis as they were reduced.

[(2) LIMITATIONS.—

[(A) NO GRANTS FOR PREVIOUS CREDIT.—The Secretary may not award a grant under this section to any student for any year of a program of undergraduate education for which the student received credit before the date of enactment of the Higher Education Reconciliation Act of 2005.

[(B) NUMBER OF GRANTS.—The Secretary may not award more than one grant to a student described in subsection (c)(3) for each year of study described in such subsection.

[(3) CALCULATION OF GRANT PAYMENTS.—An institution of higher education shall make payments of a grant awarded under this section in the same manner, using the same payment periods, as such institution makes payments for Federal Pell Grants under section 401.

[(e) FUNDING.—

[(1) AUTHORIZATION AND APPROPRIATION OF FUNDS.—There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Education to carry out this section—

[(A) \$790,000,000 for fiscal year 2006;

[(B) \$850,000,000 for fiscal year 2007;

[(C) \$920,000,000 for fiscal year 2008;

[(D) \$960,000,000 for fiscal year 2009; and

[(E) \$1,010,000,000 for fiscal year 2010.

[(2) AVAILABILITY OF FUNDS.—The amounts made available by paragraph (1) for any fiscal year shall be available from October 1 of that fiscal year and remain available through September 30 of the succeeding fiscal year.

[(f) RECOGNITION OF PROGRAMS OF STUDY.—The Secretary shall recognize not less than one rigorous secondary school program of study in each State under subparagraphs (A) and (B) of subsection (c)(3) for the purpose of determining student eligibility under such subsection.

[(g) SUNSET PROVISION.—The authority to make grants under this section shall expire at the end of award year 2010–2011.]

Subpart 2—Federal Early Outreach and Student Services Programs

CHAPTER 1—FEDERAL TRIO PROGRAMS

SEC. 402A. PROGRAM AUTHORITY; AUTHORIZATION OF APPROPRIATIONS.

(a) GRANTS AND CONTRACTS AUTHORIZED.—The Secretary shall, in accordance with the provisions of this chapter, carry out a program of making grants and contracts designed to identify qualified individuals from disadvantaged backgrounds, to prepare them for a program of postsecondary education, to provide support services for such students who are pursuing programs of postsecondary education, to motivate and prepare students for doctoral programs, and to train individuals serving or preparing for service in programs and projects so designed.

(b) RECIPIENTS, DURATION, AND SIZE.—

(1) RECIPIENTS.—For the purposes described in subsection (a), the Secretary is authorized, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to make grants to, and contracts with, institutions of higher education, public and private agencies and organizations, including community-based organizations with experience in serving disadvantaged youth, combinations of such institutions, agencies and organizations, and, as appropriate to the purposes of the program, secondary schools, for planning, developing, or carrying out one or more of the services assisted under this chapter.

(2) DURATION.—Grants or contracts made under this chapter shall be awarded for a period of 5 years, except that—

(A) in order to synchronize the awarding of grants for programs under this chapter, the Secretary may, under such terms as are consistent with the purposes of this chapter, provide a one-time, limited extension of the length of such an award;

(B) grants made under section 402G shall be awarded for a period of 2 years; and

(C) grants under section 402H shall be awarded for a period determined by the Secretary.

(3) MINIMUM GRANTS.—Unless the institution or agency requests a smaller amount, an individual grant authorized under this chapter shall be awarded in an amount that is not less than \$200,000, except that an individual grant authorized under section 402G shall be awarded in an amount that is not less than \$170,000.

(c) PROCEDURES FOR AWARDING GRANTS AND CONTRACTS.—

(1) APPLICATION REQUIREMENTS.—An eligible entity that desires to receive a grant or contract under this chapter shall submit an application to the Secretary in such manner and form, and containing such information and assurances, as the Secretary may reasonably require.

(2) CONSIDERATIONS.—

[(A) PRIOR EXPERIENCE.—In making grants under this chapter, the Secretary shall consider each applicant's prior experience of high quality service delivery, as determined under subsection (f), under the particular program for which funds are sought. The level of consideration given the factor of prior experience shall not vary from the level of consideration given such factor during fiscal years 1994 through 1997, except that grants made under section 402H shall not be given prior experience consideration.]

(A) ACCOUNTABILITY FOR OUTCOMES.—*In making grants under this chapter, the Secretary shall comply with the following requirements:*

(i) *The Secretary shall consider each applicant's prior success in achieving high quality service delivery, as determined under subsection (f), under the particular program for which funds are sought. The level of consideration given the factor of prior success in achieving high quality service delivery shall not vary from the level of consideration given such factor during fiscal years 1994 through 1997, except that grants made under section 402H shall not be given such consideration.*

(ii) *The Secretary shall not give points for prior success in achieving high quality service delivery to any current grantee that, during the then most recent period for which funds were provided, did not meet or exceed two or more objectives established in the eligible entity's application based on the performance measures described in subsection (f).*

(iii) *From the amounts awarded under subsection (g) for a program under this chapter (other than a program under sections 402G and 402H) for any fiscal year in which the Secretary conducts a competition for the award of grants or contracts under such programs, the Secretary shall reserve not less than 10 percent of such available amount to award grants or contracts to applicants who have not previously received a grant or contract under this chapter. If the Secretary determines that there are an insufficient number of qualified applicants to use the full amount reserved under the preceding sentence, the Secretary shall use the remainder of such amount to award grants or contracts to applicants who have previously received a grant or contract under this chapter.*

(B) PARTICIPANT NEED.—In making grants under this chapter, the Secretary shall consider the number, percentages, and needs of eligible participants in the area, institution of higher education, or secondary school to be served to aid such participants in preparing for, enrolling in, or succeeding in postsecondary education, as appropriate to the particular program for which the eligible entity is applying.

(3) ORDER OF AWARDS; PROGRAM FRAUD.—(A) Except with respect to grants made under sections 402G and 402H and [as provided in subparagraph (B)] *as provided in subparagraph*

(C), the Secretary shall award grants and contracts under this chapter in the order of the scores received by the application for such grant or contract in the peer review process required under paragraph (4) and adjusted for prior **[experience]** *success in achieving high quality service delivery* in accordance with paragraph (2) of this subsection.

(B) To ensure that congressional priorities in conducting competitions for grants and contracts under this chapter are implemented, the Secretary shall not impose additional criteria for the prioritization of applications for such grants or contracts (including additional competitive, absolute, or other criteria) beyond the criteria described in this chapter.

[(B)] (C) The Secretary shall not provide assistance to a program otherwise eligible for assistance under this chapter, if the Secretary has determined that such program has involved the fraudulent use of funds under this chapter.

(4) PEER REVIEW PROCESS.—(A) The Secretary shall ensure that, to the extent practicable, members of groups underrepresented in higher education, including African Americans, Hispanics, Native Americans, Alaska Natives, Asian Americans, and Native American Pacific Islanders (including Native Hawaiians), are represented as readers of applications submitted under this chapter. The Secretary shall also ensure that persons from urban and rural backgrounds are represented as readers.

(B) The Secretary shall ensure that each application submitted under this chapter is read by at least three readers who are not employees of the Federal Government (other than as readers of applications).

(5) NUMBER OF APPLICATIONS FOR GRANTS AND CONTRACTS.—The Secretary shall not limit the number of applications submitted by an entity under any program authorized under this chapter if the additional applications describe programs serving different populations or different campuses.

(6) COORDINATION WITH OTHER PROGRAMS FOR DISADVANTAGED STUDENTS.—**[The Secretary shall encourage]**

(A) The Secretary shall encourage coordination of programs assisted under this chapter with other programs for disadvantaged students operated by the sponsoring institution or agency, regardless of the funding source of such programs. The Secretary shall not limit an entity's eligibility to receive funds under this chapter because such entity sponsors a program similar to the program to be assisted under this chapter, regardless of the funding source of such program**[,]**, *as long as the program is serving a different population or a different campus.* **[The Secretary shall permit]**

(B) The Secretary shall permit the Director of a program receiving funds under this chapter to administer one or more additional programs for disadvantaged students operated by the sponsoring institution or agency, regardless of the funding sources of such programs. The Secretary shall, as appropriate, require each applicant for funds under **[the programs authorized by]** *sections 402B, 402C, 402D, and 402F* of this chapter to identify and make available

services under such program, including mentoring, tutoring, and other services provided by such program, to foster care youth (including youth in foster care and youth who have left foster care after reaching age 13) or to homeless children and youths as defined in section 725 of the McKinney-Vento Homeless Assistance Act.

(7) APPLICATION STATUS.—The Secretary shall inform each entity operating programs under this chapter regarding the status of their application for continued funding at least **[8 months]** *90 days* prior to the expiration of the grant or contract. The Secretary, in the case of an entity that is continuing to operate a successful program under this chapter, shall ensure that the start-up date for a new grant or contract for such program immediately follows the termination of the preceding grant or contract so that no interruption of funding occurs for such successful reapplicants. The Secretary shall inform each entity requesting assistance under this chapter for a new program regarding the status of their application at least **[8 months]** *90 days* prior to the proposed startup date of such program.

(8) REVIEW AND NOTIFICATION BY THE SECRETARY.—

(A) GUIDANCE.—**[Not later than 180 days after the date of enactment of the Higher Education Opportunity Act,]** *Not later than 90 days before the commencement of each competition for a grant under this chapter,* the Secretary shall issue nonregulatory guidance regarding the rights and responsibilities of applicants with respect to the application and evaluation process for programs and projects assisted under this chapter, including applicant access to peer review comments. The guidance shall describe the procedures for the submission, processing, and scoring of applications for grants under this chapter, including—

(i) the responsibility of applicants to submit materials in a timely manner and in accordance with the processes established by the Secretary under the authority of the General Education Provisions Act;

(ii) steps the Secretary will take to ensure that the materials submitted by applicants are processed in a proper and timely manner;

(iii) steps the Secretary will take to ensure that **[prior experience points for high quality service delivery are awarded]** *application scores are adjusted for prior success in achieving high quality service delivery* in an accurate and transparent manner;

(iv) steps the Secretary will take to ensure the quality and integrity of the peer review process, including assurances that peer reviewers will consider applications for grants under this chapter in a thorough and complete manner consistent with applicable Federal law; and

(v) steps the Secretary will take to ensure that the final score of an application, including **[prior experience points for]** *the adjustment in scores for prior success in achieving high quality service delivery* and

points awarded through the peer review process, is determined in an accurate and transparent manner.

[(B) UPDATED GUIDANCE.—Not later than 45 days before the date of the commencement of each competition for a grant under this chapter that is held after the expiration of the 180-day period described in subparagraph (A), the Secretary shall update and publish the guidance described in such subparagraph.]

[(C) (B) REVIEW.—

(i) **IN GENERAL.—**With respect to any competition for a grant under this chapter, an applicant may request a review by the Secretary if the applicant—

(I) has evidence of a specific technical, administrative, or scoring error made by the Department, an agent of the Department, or a peer reviewer, with respect to the scoring or processing of a submitted application; and

(II) has otherwise met all of the requirements for submission of the application.

(ii) **TECHNICAL OR ADMINISTRATIVE ERROR.—**In the case of evidence of a technical or administrative error listed in clause (i)(I), the Secretary shall review such evidence and provide a timely response to the applicant. If the Secretary determines that a technical or administrative error was made by the Department or an agent of the Department, the application of the applicant shall be reconsidered in the peer review process for the applicable grant competition.

(iii) **SCORING ERROR.—**In the case of evidence of a scoring error listed in clause (i)(I), when the error relates to either **[prior experience points for]** *points for prior success in achieving high quality service delivery* or to the final score of an application, the Secretary shall—

(I) review such evidence and provide a timely response to the applicant; and

(II) if the Secretary determines that a scoring error was made by the Department or a peer reviewer, adjust the **[prior experience points]** *points for prior success in achieving high quality service delivery* or final score of the application appropriately and quickly, so as not to interfere with the timely awarding of grants for the applicable grant competition.

(iv) **ERROR IN PEER REVIEW PROCESS.—**

(I) **REFERRAL TO SECONDARY REVIEW.—**In the case of a peer review process error listed in clause (i)(I), if the Secretary determines that points were withheld for criteria not required in Federal statute, regulation, or guidance governing a program assisted under this chapter or the application for a grant for such program, or determines that information pertaining to selection criteria was wrongly determined to be missing from an appli-

cation by a peer reviewer, then the Secretary shall refer the application to a secondary review panel.

(II) **TIMELY REVIEW; REPLACEMENT SCORE.**—The secondary review panel described in subclause (I) shall conduct a secondary review in a timely fashion, and the score resulting from the secondary review shall replace the score from the initial peer review.

(III) **COMPOSITION OF SECONDARY REVIEW PANEL.**—The secondary review panel shall be composed of reviewers each of whom—

(aa) did not review the application in the original peer review;

(bb) is a member of the cohort of peer reviewers for the grant program that is the subject of such secondary review; and

(cc) to extent practicable, has conducted peer reviews in not less than two previous competitions for the grant program that is the subject of such secondary review.

(IV) **FINAL SCORE.**—The final peer review score of an application subject to a secondary review under this clause shall be adjusted appropriately and quickly using the score awarded by the secondary review panel, so as not to interfere with the timely awarding of grants for the applicable grant competition.

(V) **QUALIFICATION FOR SECONDARY REVIEW.**—To qualify for a secondary review under this clause, an applicant shall have evidence of a scoring error and demonstrate that—

(aa) points were withheld for criteria not required in statute, regulation, or guidance governing the Federal TRIO programs or the application for a grant for such programs; or

(bb) information pertaining to selection criteria was wrongly determined to be missing from the application.

(v) **FINALITY.**—

(I) **IN GENERAL.**—A determination by the Secretary under clause (i), (ii), or (iii) shall not be reviewable by any officer or employee of the Department.

(II) **SCORING.**—The score awarded by a secondary review panel under clause (iv) shall not be reviewable by any officer or employee of the Department other than the Secretary.

(vi) **FUNDING OF APPLICATIONS WITH CERTAIN ADJUSTED SCORES.**—To the extent feasible based on the availability of appropriations, the Secretary shall fund applications with scores that are adjusted upward under clauses (ii), (iii), and (iv) to equal or exceed the minimum cut off score for the applicable grant competition *from funds reserved under subsection (g)*.

(9) **MATCHING REQUIREMENT.**—

(A) *IN GENERAL.*—The Secretary shall not approve an application submitted under section 402B, 402C, 402D, 402E, or 402F unless such application—

(i) provides that the eligible entity will provide, from State, local, institutional, or private funds, not less than 20 percent of the cost of the program, which matching funds may be provided in cash or in kind and may be accrued over the full duration of the grant award period, except that the eligible entity shall make substantial progress towards meeting the matching requirement in each year of the grant award period;

(ii) specifies the methods by which matching funds will be paid; and

(iii) includes provisions designed to ensure that funds provided under this chapter shall supplement and not supplant funds expended for existing programs.

(B) *SPECIAL RULE.*—Notwithstanding the matching requirement described in subparagraph (A), the Secretary may by regulation modify the percentage requirement described in subparagraph (A). The Secretary may approve an eligible entity's request for a reduced match percent—

(i) at the time of application if the eligible entity demonstrates significant economic hardship that precludes the eligible entity from meeting the matching requirement; or

(ii) in response to a petition by an eligible entity subsequent to a grant award under section 402B, 402C, 402D, 402E, or 402F if the eligible entity demonstrates that the matching funds described in its application are no longer available and the eligible entity has exhausted all revenues for replacing such matching funds.

(d) *OUTREACH.*—

(1) *IN GENERAL.*—The Secretary shall conduct outreach activities to ensure that entities eligible for assistance under this chapter submit applications proposing programs that serve geographic areas and eligible populations which have been underserved by the programs assisted under this chapter.

(2) *NOTICE.*—In carrying out the provisions of paragraph (1), the Secretary shall notify the entities described in subsection (b) of the availability of assistance under this subsection not less than 120 days prior to the deadline for submission of applications under this chapter and shall consult national, State, and regional organizations about candidates for notification.

(3) *TECHNICAL ASSISTANCE.*—The Secretary shall provide technical training to applicants for projects and programs authorized under this chapter. The Secretary shall give priority to serving programs and projects that serve geographic areas and eligible populations which have been underserved by the programs assisted under this chapter. Technical training activities shall include the provision of information on authorizing legislation, goals and objectives of the program, required activities, eligibility requirements, the application process and

application deadlines, and assistance in the development of program proposals and the completion of program applications. Such training shall be furnished at conferences, seminars, and workshops to be conducted at not less than 10 sites throughout the United States to ensure that all areas of the United States with large concentrations of eligible participants are served. *In addition, the Secretary shall host at least one virtual, interactive education session using telecommunications technology to ensure that any interested applicants have access to technical assistance.*

(4) SPECIAL RULE.—The Secretary may contract with eligible entities to conduct the outreach activities described in this subsection.

(e) DOCUMENTATION OF STATUS AS A LOW-INCOME INDIVIDUAL.—

(1) Except in the case of an independent student, as defined in section 480(d), documentation of an individual's status pursuant to subsection (h)(4) shall be made by providing the Secretary with—

(A) a signed statement from the individual's parent or legal guardian;

(B) verification from another governmental source;

(C) a signed financial aid application; **[or]**

(D) a signed United States or Puerto Rico income tax return~~...~~; or

(E) documentation that the student has been determined to be eligible for a Federal Pell Grant under section 401.

(2) In the case of an independent student, as defined in section 480(d), documentation of an individual's status pursuant to subsection (h)(4) shall be made by providing the Secretary with—

(A) a signed statement from the individual;

(B) verification from another governmental source;

(C) a signed financial aid application; **[or]**

(D) a signed United States or Puerto Rico income tax return~~...~~; or

(E) documentation that the student has been determined to be eligible for a Federal Pell Grant under section 401.

(3) Notwithstanding this subsection and subsection (h)(4), individuals who are foster care youth (including youth in foster care and youth who have left foster care after reaching age 13), or homeless children and youths as defined in section 725 of the McKinney-Vento Homeless Assistance Act, shall be eligible to participate in programs under sections 402B, 402C, 402D, and 402F.

(f) OUTCOME CRITERIA.—

(1) USE FOR **[PRIOR EXPERIENCE]** ACCOUNTABILITY FOR OUTCOMES DETERMINATION.—For competitions for grants under this chapter that begin on or after January 1, 2009, the Secretary shall determine an eligible entity's prior **[experience of]** *success in achieving* high quality service delivery, as required under subsection (c)(2), based on the outcome criteria described in paragraphs (2) and (3).

(2) DISAGGREGATION OF RELEVANT DATA.—The outcome criteria under this subsection shall be disaggregated by low-income students, first generation college students, and individuals with disabilities, in the schools and institutions of higher education served by the program to be evaluated.

(3) CONTENTS OF OUTCOME CRITERIA.—The outcome criteria under this subsection shall measure, annually and for longer periods, the quality and effectiveness of programs authorized under this chapter and shall include the following:

(A) For programs authorized under section 402B, the extent to which the eligible entity met or exceeded the entity's objectives established in the entity's application for such program regarding—

(i) the delivery of service to a total number of students served by the program;

(ii) the continued secondary school enrollment of such students;

(iii) the graduation of such students from secondary school with a regular secondary school diploma in the standard number of years;

(iv) the completion by such students of a [rigorous secondary school program of study that will make such students eligible for programs such as the Academic Competitiveness Grants Program] *secondary school program of study that will prepare such students to enter postsecondary education without the need for remedial education;*

(v) *the completion of financial aid applications, including the Free Application for Federal Student Aid described in section 483(a) and college admission applications;*

[(v)] (vi) the enrollment of such students in an institution of higher education; and

[(vi)] (vii) to the extent practicable, the postsecondary education completion of such students.

[(B)] [For programs authorized under section 402C,]

(B)(i) *For programs authorized under section 402C, except in the case of projects that specifically target veterans,* the extent to which the eligible entity met or exceeded the entity's objectives for such program regarding—

[(i)] (I) the delivery of service to a total number of students served by the program, as agreed upon by the entity and the Secretary for the period;

[(ii)] (II) such students' school performance, as measured by the grade point average, or its equivalent;

[(iii)] (III) such students' academic performance, as measured by standardized tests, including tests required by the students' State;

[(iv)] (IV) the retention in, and graduation from, secondary school of such students;

(V) *the enrollment of such students into a general educational development (commonly known as a "GED") program;*

[(v)] (VI) the completion by such students of a [rigorous secondary school program of study that will make such students eligible for programs such as the Academic Competitiveness Grants Program] *secondary school program of study that will prepare such*

students to enter postsecondary education without the need for remedial education;

(VII) the completion of financial aid applications, including the Free Application for Federal Student Aid described in section 483(a) and college admission applications;

[(vi)] (VIII) the enrollment of such students in an institution of higher education; and

[(vii)] (IX) to the extent practicable, the postsecondary education completion of such students.

(ii) For programs authorized under section 402C that specifically target veterans, the extent to which the eligible entity met or exceeded the entity's objectives for such program with respect to—

(I) the delivery of service to a total number of students served by the program, as agreed upon by the entity and the Secretary for the period;

(II) such students' academic performance, as measured by standardized tests;

(III) the retention and completion of participants in the project;

(IV) the provision of assistance to students served by the program in completing financial aid applications, including the Free Application for Federal Student Aid described in section 483(a) and college admission applications;

(V) the enrollment of such students in an institution of higher education; and

(VI) to the extent practicable, the postsecondary education completion rate of such students.

(C) For programs authorized under section 402D—

(i) the extent to which the eligible entity met or exceeded the entity's objectives regarding the retention in postsecondary education of the students served by the program;

(ii)(I) in the case of an entity that is an institution of higher education offering a baccalaureate degree, the extent to which the entity met or exceeded the entity's objectives regarding the percentage of such students' completion of the degree programs [in which such students were enrolled] within six years of the initial enrollment of such students in the program; or

(II) in the case of an entity that is an institution of higher education that does not [offer a baccalaureate degree] primarily offer baccalaureate degrees, the extent to which such students met or exceeded the entity's objectives regarding—

(aa) the completion of a degree or certificate by such [students; and] students within 4 years of the initial enrollment of such students in the program; or

(bb) the transfer of such students to institutions of higher education that offer baccalaureate degrees;

(iii) the extent to which the entity met or exceeded the entity's objectives regarding the delivery of service to a total number of students, as agreed upon by the entity and the Secretary for the period; and

(iv) the extent to which the entity met or exceeded the entity's objectives regarding the students served under the program who remain in good academic standing.

(D) For programs authorized under section 402E, the extent to which the entity met or exceeded the entity's objectives for such program regarding—

(i) the delivery of service to a total number of students served by the program, as agreed upon by the entity and the Secretary for the period;

(ii) the provision of appropriate scholarly and research activities for the students served by the program;

(iii) the acceptance and enrollment of such students in graduate programs[; and] *within two years of receiving a baccalaureate degree;*

(iv) the continued enrollment of such students in graduate [study and the attainment of doctoral degrees by former program participants.] *study; and*

(v) *the attainment of doctoral degrees by former program participants within 10 years of receiving a baccalaureate degree.*

(E) For programs authorized under section 402F, the extent to which the entity met or exceeded the entity's objectives for such program regarding—

(i) the enrollment of students without a secondary school diploma or its recognized equivalent, who were served by the program, in programs leading to such diploma or equivalent;

(ii) the enrollment, *or re-enrollment*, of secondary school graduates who were served by the program in programs of postsecondary education;

(iii) the delivery of service to a total number of students served by the program, as agreed upon by the entity and the Secretary for the period; and

(iv) the provision of assistance to students served by the program in completing financial aid applications and college admission applications.

(4) MEASUREMENT OF PROGRESS.—In order to determine the extent to which each outcome criterion described in paragraph (2) or (3) is met or exceeded, the Secretary shall compare the agreed upon target for the criterion, as established in the eligible entity's application approved by the Secretary, with the results for the criterion, measured as of the last day of the applicable time period for the determination for the outcome criterion.

(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants and contracts under this chapter, there are authorized to be appropriated [\$900,000,000 for fiscal year 2009 and such sums as may be necessary for] *\$900,000,000 for fiscal year 2019 and each of the five succeeding fiscal years.* Of the amount appro-

priated under this chapter, the Secretary may use [no more than $\frac{1}{2}$ of 1] *not more than 1* percent of such amount to obtain additional qualified readers and additional staff to review applications, to increase the level of oversight monitoring, to support impact studies, program assessments and reviews, [and to provide technical] *to provide technical* assistance to potential applicants and current grantees, *and to support applications funded under the process outlined in subsection (c)(8)(B)*. [In expending these funds, the Secretary shall give priority to the additional administrative requirements provided in the Higher Education Amendments of 1992, to outreach activities, and to obtaining additional readers.]

(h) DEFINITIONS.—For the purpose of this chapter:

(1) DIFFERENT CAMPUS.—The term “different campus” means a site of an institution of higher education that—

(A) is geographically apart from the main campus of the institution;

(B) is permanent in nature; and

(C) offers courses in educational programs leading to a degree, certificate, or other recognized educational credential.

(2) DIFFERENT POPULATION.—The term “different population” means a group of individuals that an eligible entity desires to serve through an application for a grant under this chapter, and that—

(A) is separate and distinct from any other population that the entity has applied for a grant under this chapter to serve; or

(B) while sharing some of the same needs as another population that the eligible entity has applied for a grant under this chapter to serve, has distinct needs for specialized services.

(3) FIRST GENERATION COLLEGE STUDENT.—The term “first generation college student” means—

(A) an individual both of whose parents did not complete a baccalaureate degree; or

(B) in the case of any individual who regularly resided with and received support from only one parent, an individual whose only such parent did not complete a baccalaureate degree.

(4) LOW-INCOME INDIVIDUAL.—The term “low-income individual” means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.

[(5) VETERAN ELIGIBILITY.—No veteran] *(i) VETERAN ELIGIBILITY.*—(1) *No Veteran* shall be deemed ineligible to participate in any program under this chapter by reason of such individual’s age who—

(A) served on active duty for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable;

(B) served on active duty and was discharged or released therefrom because of a service connected disability;

(C) was a member of a reserve component of the Armed Forces called to active duty for a period of more than 30 days; or

(D) was a member of a reserve component of the Armed Forces who served on active duty in support of a contingency operation (as that term is defined in section 101(a)(13) of title 10, United States Code) on or after September 11, 2001.

[(6) WAIVER.—] (2) The Secretary may waive the service requirements in subparagraph (A), (B), or (C) **[of paragraph (5)]** of *paragraph (1)* if the Secretary determines the application of the service requirements to a veteran will defeat the purpose of a program under this chapter.

SEC. 402B. TALENT SEARCH.

(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as talent search which shall be designed—

(1) to identify qualified youths with potential for education at the postsecondary level and to encourage such youths to complete secondary school and to undertake a program of postsecondary education;

(2) to publicize the availability of, and facilitate the application for, student financial assistance available to persons who pursue a program of postsecondary education; **[and]**

(3) to advise such youths on the postsecondary institution selection process, including consideration of the financial aid awards offered and the potential loan burden required; and

[(3)] (4) to encourage persons who have not completed programs of education at the secondary or postsecondary level to enter or reenter, and complete such programs.

(b) REQUIRED SERVICES.—Any project assisted under this section shall provide—

(1) connections to high quality academic tutoring services *and, where necessary, remedial education services*, to enable students to complete secondary or postsecondary courses;

(2) advice and assistance in secondary course selection and, if applicable, initial postsecondary course selection;

(3) assistance in preparing for college entrance examinations and completing college admission applications;

(4)(A) information on the full range of Federal student financial aid programs and benefits (including Federal Pell Grant awards and loan forgiveness) and resources for locating public and private scholarships; and

(B) assistance in completing financial aid applications, including the Free Application for Federal Student Aid described in section 483(a);

(5) guidance on and assistance in—

(A) secondary school reentry;

(B) alternative education programs for secondary school dropouts that lead to the receipt of a regular secondary school diploma;

(C) entry into general educational development (GED) programs; or

(D) postsecondary education; and

[(6) connections to education or counseling services designed to improve the financial literacy and economic literacy of stu-

dents or the students' parents, including financial planning for postsecondary education.】

(6) *connections to education or counseling services designed to—*

(A) *improve the financial literacy and economic literacy of students or the students' parents in order to aid them in making informed decisions about how to best finance their postsecondary education; and*

(B) *assist students and families regarding career choice.*

(c) PERMISSIBLE SERVICES.—Any project assisted under this section may provide services such as—

(1) academic tutoring, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects;

(2) personal and 【career】 *academic* counseling or activities;

(3) information and activities designed to acquaint youth with the range of career options available to the youth;

(4) exposure to the campuses of institutions of higher education, as well as cultural events, academic programs, and other sites or activities not usually available to disadvantaged youth;

(5) workshops and counseling for families of students served;

(6) mentoring programs involving elementary or secondary school teachers or counselors, faculty members at institutions of higher education, students, or any combination of such persons; and

(7) programs and activities as described in subsection (b) or paragraphs (1) through (6) of this subsection that are specially designed for students who are limited English proficient, students from groups that are traditionally underrepresented in postsecondary education, students with disabilities, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)), students who are in foster care or are aging out of the foster care system, or other disconnected students.

(d) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for projects under this section for any fiscal year the Secretary shall—

(1) require an assurance that not less than two-thirds of the individuals participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

(2) *require an assurance that the remaining youths participating in the project proposed to be carried out in any application be low-income individuals, first generation college students, or students who have a high risk for academic failure;*

【(2)】 (3) require that such participants be persons who either have completed 5 years of elementary education or are at least 11 years of age but not more than 27 years of age, unless the imposition of any such limitation with respect to any person would defeat the purposes of this section or the purposes of section 402F;

【(3)】 (4) require an assurance that individuals participating in the project proposed in the application do not have access

to services from another project funded under this section, *section 402C*, or under section 402F; **and**

[(4)] (5) require an assurance that the project will be located in a setting accessible to the persons proposed to be served by the project **and**; *and*

(6) require the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded programs serving similar populations to minimize the duplication of services.

SEC. 402C. UPWARD BOUND.

(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as upward bound which shall be designed to generate skills and motivation necessary for success in education beyond secondary school.

(b) REQUIRED SERVICES.—Any project assisted under this section shall provide—

[(1) academic tutoring to enable students to complete secondary or postsecondary courses, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects;]

(1) academic tutoring, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects and, where necessary, remedial education services, to enable students to complete secondary or postsecondary courses;

(2) advice and assistance in secondary and postsecondary course selection;

(3) assistance in preparing for college entrance examinations and completing college admission applications;

(4)(A) information on the full range of Federal student financial aid programs and benefits (including Federal Pell Grant awards and loan forgiveness) and resources for locating public and private scholarships; and

(B) assistance in completing financial aid applications, including the Free Application for Federal Student Aid described in section 483(a); *and*

[(5) guidance on and assistance in—

[(A) secondary school reentry;

[(B) alternative education programs for secondary school dropouts that lead to the receipt of a regular secondary school diploma;

[(C) entry into general educational development (GED) programs; or

[(D) postsecondary education; and

[(6) education or counseling services designed to improve the financial literacy and economic literacy of students or the students' parents, including financial planning for postsecondary education.]

(5) education or counseling services designed to—

(A) improve the financial literacy and economic literacy of students or the students' parents in order to aid them in making informed decisions about how to best finance their postsecondary education; and

(B) assist students and their families regarding career choice.

(c) **ADDITIONAL REQUIRED SERVICES FOR MULTIPLE-YEAR GRANT RECIPIENTS.**—Any project assisted under this section which has received funding for two or more years shall include, as part of the core curriculum in the next and succeeding years, instruction in mathematics through precalculus, laboratory science, foreign language, composition, and literature.

(d) **PERMISSIBLE SERVICES.**—Any project assisted under this section may provide such services as—

(1) exposure to cultural events, academic programs, and other activities not usually available to disadvantaged **[youth] participants**;

(2) information, activities, and instruction designed to acquaint **[youth participating in the project] project participants** with the range of career options available to the youth;

(3) on-campus residential programs;

(4) mentoring programs involving elementary school or secondary school teachers or counselors, faculty members at institutions of higher education, students, or any combination of such persons;

(5) work-study positions where **[youth participating in the project] project participants** are exposed to careers requiring a postsecondary degree;

(6) special services, including mathematics and science preparation, to enable veterans to make the transition to postsecondary education; and

(7) programs and activities as described in subsection (b), subsection (c), or paragraphs (1) through (6) of this subsection that are specially designed for students who are limited English proficient, students from groups that are traditionally underrepresented in postsecondary education, students with disabilities, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)), students who are in foster care or are aging out of the foster care system, or other disconnected students.

(e) **REQUIREMENTS FOR APPROVAL OF APPLICATIONS.**—In approving applications for projects under this section for any fiscal year, the Secretary shall—

(1) require an assurance that not less than two-thirds of the youths participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

(2) require an assurance that the remaining youths participating in the project proposed to be carried out under any application be low-income individuals, first generation college students, or students who have a high risk for academic failure;

(3) require that there be a determination by the institution, with respect to each participant in such project that the participant has a need for academic support in order to pursue successfully a program of education beyond secondary school;

(4) require that such participants be persons who have completed 8 years of elementary education and are at least 13 years of age but not more than 19 years of age, unless the im-

position of any such limitation would defeat the purposes of this section; **and**

(5) require an assurance that individuals participating in the project proposed in any application do not have access to services from another project funded under this section, section 402B, or section 402F;

[(5)] (6) require an assurance that no student will be denied participation in a project assisted under this section because the student will enter the project after the 9th grade**]; and**

(7) for purposes of minimizing the duplication of services, require that the grantee maintain, to the extent practicable, a record of any services received by participants during the program year from another program funded under this chapter, or any other Federally funded program that serves populations similar to the populations served by programs under this chapter.

(f) **MAXIMUM STIPENDS.**—Youths participating in a project proposed to be carried out under any application may be paid stipends not in excess of \$60 per month during the summer school recess, for a period not to exceed three months, except that youth participating in a work-study position under subsection (d)(5) may be paid a stipend of \$300 per month during the summer school recess, for a period not to exceed three months. Youths participating in a project proposed to be carried out under any application may be paid stipends not in excess of \$40 per month during the remaining period of the year.

[(g) ADDITIONAL FUNDS.—

[(1) AUTHORIZATION AND APPROPRIATION.—There are authorized to be appropriated, and there are appropriated to the Secretary, from funds not otherwise appropriated, \$57,000,000 for each of the fiscal years 2008 through 2011 to carry out paragraph (2), except that any amounts that remain unexpended for such purpose for each of such fiscal years may be available for technical assistance and administration costs for the Upward Bound program. The authority to award grants under this subsection shall expire at the end of fiscal year 2011.

[(2) USE OF FUNDS.—The amounts made available by paragraph (1) shall be available to provide assistance to all Upward Bound projects that did not receive assistance in fiscal year 2007 and that have a grant score above 70. Such assistance shall be made available in the form of 4-year grants.]

[(h)] *(g) ABSOLUTE PRIORITY PROHIBITED IN UPWARD BOUND PROGRAM.*—Upon enactment of this subsection and except as otherwise expressly provided by amendment to this section, the Secretary shall not continue, implement, or enforce the absolute priority for the Upward Bound Program published by the Department of Education in the Federal Register on September 22, 2006 (71 Fed. Reg. 55447 et seq.). This subsection shall not be applied retroactively. In implementing this subsection, the Department shall allow the programs and participants chosen in the grant cycle to which the priority applies to continue their grants and participation without a further recompetition. The entities shall not be required to apply the absolute priority conditions or restrictions to future participants.

SEC. 402D. STUDENT SUPPORT SERVICES.

(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as student support services which shall be designed—

(1) to increase college retention and graduation rates for eligible students;

(2) to increase the transfer rates of eligible students from 2-year to 4-year institutions;

(3) to foster an institutional climate supportive of the success of *low-income and first generation college students, including students who are limited English proficient, students from groups that are traditionally underrepresented in postsecondary education, students with disabilities, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)), students who are in foster care or are aging out of the foster care system, or other disconnected students; and*

(4) to improve the financial literacy and economic literacy of students, including—

(A) basic personal income, household money management, and financial planning skills; and

(B) basic economic decisionmaking skills.

(b) REQUIRED SERVICES.—A project assisted under this section shall provide—

(1) academic tutoring, directly or through other services provided by the institution, to enable students to complete postsecondary courses, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects;

(2) advice and assistance in postsecondary course selection;

(3)(A) information on both the full range of Federal student financial aid programs and benefits (including Federal Pell Grant awards and loan forgiveness) and resources for locating public and private scholarships; and

(B) assistance in completing financial aid applications, including the Free Application for Federal Student Aid described in section 483(a);

(4) education or counseling services designed to improve the financial literacy and economic literacy of students [, including financial] , *including—*

(A) *financial planning for postsecondary education;*

(B) *basic personal income, household money management, and financial planning skills; and*

(C) *basic economic decisionmaking skills;*

(5) activities designed to assist students participating in the project in applying for admission to, and obtaining financial assistance for enrollment in, graduate and professional programs; and

(6) activities designed to assist students enrolled in two-year institutions of higher education in applying for admission to, and obtaining financial assistance for enrollment in, a four-year program of postsecondary education.

(c) PERMISSIBLE SERVICES.—A project assisted under this section may provide services such as—

(1) individualized counseling for personal, career, and academic matters provided by assigned counselors;

(2) information, activities, and instruction designed to acquaint students participating in the project with the range of career options available to the students;

(3) exposure to cultural events and academic programs not usually available to disadvantaged students;

(4) mentoring programs involving faculty or upper class students, or a combination thereof;

(5) securing temporary housing during breaks in the academic year for—

(A) students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)) or were formerly homeless children and youths; and

(B) students who are in foster care or are aging out of the foster care system; and

(6) programs and activities as described in subsection (b) or paragraphs (1) through (4) of this subsection that are specially designed for students who are limited English proficient, students from groups that are traditionally underrepresented in postsecondary education, students with disabilities, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)), students who are in foster care or are aging out of the foster care system, or other disconnected students.

(d) SPECIAL RULE.—

(1) USE FOR STUDENT AID.—A recipient of a grant that undertakes any of the permissible services identified in subsection (c) may, in addition, use such funds to provide grant aid to students. A grant provided under this paragraph shall not exceed the Federal Pell Grant amount, determined under section 401(b)(2)(A), for which a student is eligible, or be less than the minimum Federal Pell Grant amount described in section 401(b)(4), for the current academic year. In making grants to students under this subsection, an institution shall ensure that adequate consultation takes place between the student support service program office and the institution's financial aid office.

(2) ELIGIBLE STUDENTS.—For purposes of receiving grant aid under this subsection, eligible students shall be current participants in the student support services program offered by the institution and be—

(A) students who are in their first 2 years of postsecondary education and who are receiving Federal Pell Grants under subpart 1; or

(B) students who have completed their first 2 years of postsecondary education and who are receiving Federal Pell Grants under subpart 1 if the institution demonstrates to the satisfaction of the Secretary that—

(i) these students are at high risk of dropping out; and

(ii) it will first meet the needs of all its eligible first- and second-year students for services under this paragraph.

(3) DETERMINATION OF NEED.—A grant provided to a student under paragraph (1) shall not be considered in determining that student's need for grant or work assistance under this title, except that in no case shall the total amount of student financial assistance awarded to a student under this title exceed that student's cost of attendance, as defined in section 472.

(4) MATCHING REQUIRED.—A recipient of a grant who uses such funds for the purpose described in paragraph (1) shall match the funds used for such purpose, in cash, from non-Federal funds, in an amount that is not less than 33 percent of the total amount of funds used for that purpose. This paragraph shall not apply to any grant recipient that is an institution of higher education eligible to receive funds under part A or B of title III or title V.

(5) RESERVATION.—In no event may a recipient use more than 20 percent of the funds received under this section for grant aid.

(6) SUPPLEMENT, NOT SUPPLANT.—Funds received by a grant recipient that are used under this subsection shall be used to supplement, and not supplant, non-Federal funds expended for student support services programs.

(e) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for projects under this section for any fiscal year, the Secretary shall—

(1) require an assurance that not less than two-thirds of the persons participating in the project proposed to be carried out under any application—

(A) be individuals with disabilities; or

(B) be low-income individuals who are first generation college students;

(2) require an assurance that the remaining students participating in the project proposed to be carried out under any application be low-income individuals, first generation college students, or individuals with disabilities;

(3) require an assurance that not less than one-third of the individuals with disabilities participating in the project be low-income individuals;

(4) require that there be a determination by the institution, with respect to each participant in such project, that the participant has a need for academic support in order to pursue successfully a program of education beyond secondary school;

(5) require that such participants be enrolled or accepted for enrollment at the institution which is the recipient of the grant or contract; **[and]**

(6) *require the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded programs serving similar populations to minimize the duplication of services; and*

[(6)] (7) consider, in addition to such other criteria as the Secretary may prescribe, the institution's effort, and where applicable past history, in—

(A) providing sufficient financial assistance to meet the full financial need of each student in the project; and

(B) maintaining the loan burden of each such student at a manageable level.

SEC. 402E. POSTBACCALAUREATE ACHIEVEMENT PROGRAM AUTHORITY.

(a) **PROGRAM AUTHORITY.**—The Secretary shall carry out a program to be known as the “Ronald E. McNair Postbaccalaureate Achievement Program” that shall be designed to provide disadvantaged college students with effective preparation for doctoral study.

(b) **REQUIRED SERVICES.**—A project assisted under this section shall provide—

(1) opportunities for research or other scholarly activities at the institution or at graduate centers designed to provide students with effective preparation for doctoral study;

(2) **summer internships** *internships and faculty-led research experiences*;

(3) seminars and other educational activities designed to prepare students for doctoral study;

(4) tutoring;

(5) academic counseling; and

(6) activities designed to assist students participating in the project in securing admission to and financial assistance for enrollment in graduate programs.

(c) **PERMISSIBLE SERVICES.**—A project assisted under this section may provide services such as—

(1) education or counseling services designed to improve the financial literacy and economic literacy of students, including financial planning for postsecondary education;

(2) mentoring programs involving faculty members at institutions of higher education, students, or any combination of such persons; and

(3) exposure to cultural events and academic programs not usually available to disadvantaged students.

(d) **REQUIREMENTS.**—In approving applications for projects assisted under this section for any fiscal year, the Secretary shall require—

(1) an assurance that not less than two-thirds of the individuals participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

(2) an assurance that the remaining persons participating in the project proposed to be carried out be from a group that is underrepresented in graduate education, including—

(A) Alaska Natives, as defined in section 6306 of the Elementary and Secondary Education Act of 1965;

(B) Native Hawaiians, as defined in section 6207 of such Act; and

(C) Native American Pacific Islanders, as defined in section 320;

(3) an assurance that participants be enrolled in a degree program at an eligible institution having an agreement with the Secretary in accordance with the provisions of section 487; **and**

(4) an assurance that participants in **summer** research internships have completed their sophomore year in postsecondary education~~;~~ *and*

(5) *the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded program serving similar populations to minimize the duplication of services.*

(e) AWARD CONSIDERATIONS.—In addition to such other selection criteria as may be prescribed by regulations, the Secretary shall consider in making awards to institutions under this section—

(1) the quality of research and other scholarly activities in which students will be involved;

(2) the level of faculty involvement in the project and the description of the research in which students will be involved; and

(3) the institution's plan for identifying and recruiting participants including students enrolled in projects authorized under this section.

(f) MAXIMUM STIPENDS.—Students participating in research under a project under this section may receive an award that—

(1) shall include a stipend not to exceed \$2,800 per annum; and

(2) may include, in addition, the costs of summer tuition, summer room and board, and transportation to summer programs.

(g) FUNDING.—From amounts appropriated pursuant to the authority of section 402A(g), the Secretary shall, to the extent practicable, allocate funds for projects authorized by this section in an amount which is not less than \$11,000,000 for each of the fiscal years [2009 through 2014] 2019 through 2024.

SEC. 402F. EDUCATIONAL OPPORTUNITY CENTERS.

(a) PROGRAM AUTHORITY; SERVICES PROVIDED.—The Secretary shall carry out a program to be known as educational opportunity centers which shall be designed—

(1) to provide information with respect to financial and academic assistance available for individuals desiring to pursue or re-enter a program of postsecondary education;

(2) to provide assistance to such persons in applying for admission to institutions at which a program of postsecondary education is offered, including preparing necessary applications for use by admissions and financial aid officers; and

(3) to improve the financial literacy and economic literacy [of students] *of such persons*, including—

(A) basic personal income, household money management, and financial planning skills; and

(B) basic economic decisionmaking skills.

(b) PERMISSIBLE SERVICES.—An educational opportunity center assisted under this section may provide services such as—

(1) public information campaigns designed to inform the community regarding opportunities for postsecondary education and training;

(2) academic advice and assistance in course selection;

(3) assistance in completing college admission and financial aid applications;

(4) assistance in preparing for college entrance examinations;

(5) education or counseling services designed to improve the financial literacy and economic literacy of ~~students;~~ *students, including—*

(A) financial planning for postsecondary education;

(B) basic personal income, household money management, and financial planning skills; and

(C) basic economic decisionmaking skills;

(6) guidance on secondary school reentry or entry to a general educational development (GED) program or other alternative education programs for secondary school dropouts;

(7) individualized personal, career, and academic counseling;

(8) tutorial services;

(9) career workshops and counseling;

(10) mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of such persons; and

(11) programs and activities as described in paragraphs (1) through (10) that are specially designed for students who are limited English proficient, students from groups that are traditionally underrepresented in postsecondary education, students with disabilities, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)), students who are in foster care or are aging out of the foster care system, or other disconnected students.

(c) **REQUIREMENTS FOR APPROVAL OF APPLICATIONS.**—In approving applications for educational opportunity centers under this section for any fiscal year the Secretary shall—

(1) require an assurance that not less than two-thirds of the persons participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

(2) require an assurance that the remaining persons participating in the project proposed to be carried out under any application be low-income individuals or first generation college students;

~~[(2)]~~ (3) require that such participants be persons who are at least nineteen years of age, unless the imposition of such limitation with respect to any person would defeat the purposes of this section or the purposes of section 402B; ~~and~~

~~[(3)]~~ (4) require an assurance that individuals participating in the project proposed in the application do not have access to services from another project funded under this section or under section 402B~~]; and~~

(5) require the grantee to maintain, to the extent practicable, a record of any services participants receive during the project year from another program under this chapter or other federally funded program serving similar populations to minimize the duplication of services.

SEC. 402G. STAFF DEVELOPMENT ACTIVITIES.

(a) **SECRETARY'S AUTHORITY.**—For the purpose of improving the operation of the programs and projects authorized by this chapter, the Secretary is authorized to make grants to institutions of higher education and other public and private nonprofit institutions and organizations to provide training for staff and leadership personnel

employed in, participating in, or preparing for employment in, such programs and projects.

(b) **CONTENTS OF TRAINING PROGRAMS.**—Such training shall include conferences, internships, seminars, workshops, *webinars and online classes*, and the publication of manuals designed to improve the operation of such programs and projects and shall be carried out in the various regions of the Nation in order to ensure that the training opportunities are appropriate to meet the needs in the local areas being served by such programs and projects. Such training shall be offered annually for new **[directors]** *staff* of projects funded under this chapter as well as annually on the following topics and other topics chosen by the Secretary:

(1) Legislative and regulatory requirements for the operation of programs funded under this chapter.

(2) Assisting students in receiving adequate financial aid from programs assisted under this title and other programs.

(3) The design and operation of model *and innovative* programs for projects funded under this chapter.

(4) The use of appropriate educational technology in the operation of projects assisted under this chapter.

(5) Strategies for recruiting and serving hard to reach populations, including students who are limited English proficient, students from groups that are traditionally underrepresented in postsecondary education, students with disabilities, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)), students who are in foster care or are aging out of the foster care system, or other disconnected students.

(c) **CONSULTATION.**—Grants for the purposes of this section shall be made only after consultation with regional and State professional associations of persons having special knowledge with respect to the needs and problems of such programs and projects.

SEC. 402H. REPORTS, EVALUATIONS, AND GRANTS FOR PROJECT IMPROVEMENT AND DISSEMINATION.

(a) **REPORTS TO THE AUTHORIZING COMMITTEES.**—

(1) **IN GENERAL.**—The Secretary shall submit annually, to the authorizing committees, a report that documents the performance of all programs funded under this chapter. Such report shall—

(A) be submitted not later than 12 months after the eligible entities receiving funds under this chapter are required to report their performance to the Secretary;

(B) focus on the programs' performance on the relevant outcome criteria determined under section 402A(f)(4);

(C) aggregate individual project performance data on the outcome criteria in order to provide national performance data for each program;

(D) include, when appropriate, descriptive data, multi-year data, and multi-cohort data; and

(E) include comparable data on the performance nationally of low-income students, first-generation students, and students with disabilities.

(2) **INFORMATION.**—The Secretary shall provide, with each report submitted under paragraph (1), information on the impact

of the secondary review process described in section 402A(c)(8)(C)(iv), including the number and type of secondary reviews, the disposition of the secondary reviews, the effect on timing of awards, and any other information the Secretary determines is necessary.

[(b) EVALUATIONS.—

[(1) IN GENERAL.—

[(A) AUTHORIZATION OF GRANTS AND CONTRACTS.—For the purpose of improving the effectiveness of the programs and projects assisted under this chapter, the Secretary shall make grants to, or enter into contracts with, institutions of higher education and other public and private institutions and organizations to rigorously evaluate the effectiveness of the programs and projects assisted under this chapter, including a rigorous evaluation of the programs and projects assisted under section 402C. The evaluation of the programs and projects assisted under section 402C shall be implemented not later than June 30, 2010.

[(B) CONTENT OF UPWARD BOUND EVALUATION.—The evaluation of the programs and projects assisted under section 402C that is described in subparagraph (A) shall examine the characteristics of the students who benefit most from the Upward Bound program under section 402C and the characteristics of the programs and projects that most benefit students.

[(C) IMPLEMENTATION.—Each evaluation described in this paragraph shall be implemented in accordance with the requirements of this section.

[(2) PRACTICES.—

[(A) IN GENERAL.—The evaluations described in paragraph (1) shall identify institutional, community, and program or project practices that are effective in—

[(i) enhancing the access of low-income individuals and first-generation college students to postsecondary education;

[(ii) the preparation of such individuals and students for postsecondary education; and

[(iii) fostering the success of the individuals and students in postsecondary education.

[(B) PRIMARY PURPOSE.—Any evaluation conducted under this chapter shall have as the evaluation's primary purpose the identification of particular practices that further the achievement of the outcome criteria determined under section 402A(f)(4).

[(C) DISSEMINATION AND USE OF EVALUATION FINDINGS.—The Secretary shall disseminate to eligible entities and make available to the public the practices identified under subparagraph (B). The practices may be used by eligible entities that receive assistance under this chapter after the dissemination.

[(3) SPECIAL RULE RELATED TO EVALUATION PARTICIPATION.—The Secretary shall not require an eligible entity, as a condition for receiving, or that receives, assistance under any program or project under this chapter to participate in an evaluation under this section that—

【(A) requires the eligible entity to recruit additional students beyond those the program or project would normally recruit; or

【(B) results in the denial of services for an eligible student under the program or project.

【(4) CONSIDERATION.—When designing an evaluation under this subsection, the Secretary shall continue to consider—

【(A) the burden placed on the program participants or the eligible entity; and

【(B) whether the evaluation meets generally accepted standards of institutional review boards.】

(b) *EVALUATIONS.*—

(1) *IN GENERAL.*—*For the purpose of improving the effectiveness of the programs assisted under this chapter, the Secretary shall make grants to or enter into contracts with one or more organizations to—*

(A) *evaluate the effectiveness of the programs assisted under this chapter; and*

(B) *disseminate information on the impact of the programs in increasing the education level of participants, as well as other appropriate measures.*

(2) *ISSUES TO BE EVALUATED.*—*The evaluations described in paragraph (1) shall measure the effectiveness of programs funded under this chapter in—*

(A) *meeting or exceeding the stated objectives regarding the outcome criteria under subsection (f) of section 402A;*

(B) *enhancing the access of low-income individuals and first-generation college students to postsecondary education;*

(C) *preparing individuals for postsecondary education;*

(D) *comparing the level of education completed by students who participate in the programs funded under this chapter with the level of education completed by students of similar backgrounds who do not participate in such programs;*

(E) *comparing the retention rates, dropout rates, graduation rates, and college admission and completion rates of students who participate in the programs funded under this chapter with the rates of students of similar backgrounds who do not participate in such programs; and*

(F) *such other issues as the Secretary considers appropriate for inclusion in the evaluation.*

(3) *PROGRAM METHODS.*—*Such evaluations shall also investigate the effectiveness of alternative and innovative methods within programs funded under this chapter of increasing access to, and retention of, students in postsecondary education.*

(4) *RESULTS.*—*The Secretary shall submit to the authorizing committees—*

(A) *an interim report on the progress and preliminary results of the evaluation of each program funded under this chapter not later than 2 years following the date of enactment of the PROSPER Act; and*

(B) *a final report not later than 3 years following the date of enactment of such Act.*

(5) *PUBLIC AVAILABILITY.*—*All reports and underlying data gathered pursuant to this subsection shall be made available to*

the public upon request, in a timely manner following submission of the applicable reports under this subsection, except that any personally identifiable information with respect to a student participating in a program or project assisted under this chapter shall not be disclosed or made available to the public.

(c) GRANTS.—The Secretary may award grants to institutions of higher education or other private and public institutions and organizations, that are carrying out a program or project assisted under this chapter prior to the date of enactment of the Higher Education Amendments of 1998, to enable the institutions and organizations to expand and leverage the success of such programs or projects by working in partnership with other institutions, community-based organizations, or combinations of such institutions and organizations, that are not receiving assistance under this chapter and are serving low-income students and first generation college students, in order to—

(1) disseminate and replicate best practices of programs or projects assisted under this chapter; and

(2) provide technical assistance regarding programs and projects assisted under this chapter.

(d) RESULTS.—In order to improve overall program or project effectiveness, the results of evaluations and grants described in this section shall be disseminated by the Secretary to similar programs or projects assisted under this subpart, as well as other individuals concerned with postsecondary access for and retention of low-income individuals and first-generation college students.

SEC. 402I. IMPACT GRANTS.

(a) *IN GENERAL.*—From funds reserved under subsection (e), the Secretary shall make grants to improve postsecondary access and completion rates for qualified individuals from disadvantaged backgrounds. These grants shall be known as innovative measures promoting postsecondary access and completion grants or “IMPACT Grants” and allow eligible entities to—

(1) create, develop, implement, replicate, or take to scale evidence-based, field-initiated innovations, including through pay-for-success initiatives, to serve qualified individuals from disadvantaged backgrounds and improve student outcomes; and

(2) rigorously evaluate such innovations, in accordance with subsection (d).

(b) *DESCRIPTION OF GRANTS.*—The grants described in subsection (a) shall include—

(1) *early-phase grants to fund the development, implementation, and feasibility testing of a program, which prior research suggests has a promise, for the purpose of determining whether the program can successfully improve postsecondary access and completion rates;*

(2) *mid-phase grants to fund implementation and a rigorous evaluation of a program that has been successfully implemented under an early-phase grant described in paragraph (1); and*

(3) *expansion grants to fund implementation and a rigorous replication evaluation of a program that has been found to produce sizable, important impacts under a mid-phase grant described in paragraph (2) for the purposes of—*

(A) *determining whether such outcomes can be successfully reproduced and sustained over time; and*

(B) identifying the conditions in which the project is most effective.

(c) **REQUIREMENTS FOR APPROVAL OF APPLICATIONS.**—To receive a grant under this section, an eligible entity shall submit an application to the Secretary at such time, and in such manner as the Secretary may require, which shall include—

(1) an assurance that not less than two-thirds of the individuals who will participate in the program proposed to be carried out with the grant will be—

(A) low-income individuals who are first generation college students; or

(B) individuals with disabilities;

(2) an assurance that any other individuals (not described in paragraph (1)) who will participate in such proposed program will be—

(A) low-income individuals;

(B) first generation college students; or

(C) individuals with disabilities;

(3) a detailed description of the proposed program, including how such program will directly benefit students;

(4) the number of projected students to be served by the program;

(5) how the program will be evaluated; and

(6) an assurance that the individuals participating in the project proposed are individuals who do not have access to services from another programs funded under this section.

(d) **EVALUATION.**—Each eligible entity receiving a grant under this section shall conduct an independent evaluation of the effectiveness of the program carried out with such grant and shall submit to the Secretary, on an annual basis, a report that includes—

(1) a description of how funds received under this section were used;

(2) the number of students served by the project carried out under this section; and

(3) a quantitative analysis of the effectiveness of the project.

(e) **FUNDING.**—From amounts appropriated under section 402A(g), the Secretary shall reserve not less than 10 percent of such funds to carry out this section.

CHAPTER 2—GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS

SEC. 404A. EARLY INTERVENTION AND COLLEGE AWARENESS PROGRAM AUTHORIZED.

(a) **PROGRAM AUTHORIZED.**—The Secretary is authorized, in accordance with the requirements of this chapter, to establish a program that encourages eligible entities to provide support, and maintain a commitment, to eligible low-income students, including students with disabilities, to assist the students in obtaining a secondary school diploma (or its recognized equivalent) and to prepare for and succeed in postsecondary education, by providing—

(1) financial assistance, **[academic support]** *academic support for college readiness*, additional counseling, mentoring,

outreach, and supportive services to secondary school students, including students with disabilities, to reduce—

- (A) the risk of such students dropping out of school; or
 - (B) the need for remedial education for such students at the postsecondary level; and
- (2) information to students and their families about the advantages of obtaining a postsecondary education and, college financing options for the students and their families.

(b) AWARDS.—

(1) IN GENERAL.—From funds appropriated under section 404H for each fiscal year, the Secretary shall make *new* awards to eligible entities described in paragraphs (1) and (2) of subsection (c) to enable the entities to carry out the program authorized under subsection (a).

(2) AWARD PERIOD.—The Secretary may award a grant under this chapter to an eligible entity described in paragraphs (1) and (2) of subsection (c) for—

- (A) six years; or
- (B) in the case of an eligible entity that applies for a grant under this chapter for seven years to enable the eligible entity to provide services to a student through the student's first year of attendance at an institution of higher education, seven years.

(3) PRIORITY.—In making awards to eligible entities described in subsection (c)(1), the Secretary shall—

[(A) give priority to eligible entities that—

[(i) on the day before the date of enactment of the Higher Education Opportunity Act, carried out successful educational opportunity programs under this chapter (as this chapter was in effect on such day); and

[(ii) have a prior, demonstrated commitment to early intervention leading to college access through collaboration and replication of successful strategies; and]

(A) give priority to eligible entities that have a prior, demonstrated commitment to early intervention leading to college access and readiness through collaboration and replication of successful strategies; and

(B) ensure that students served under this chapter on the day before the date of enactment of [the Higher Education Opportunity Act] *the PROSPER Act* continue to receive assistance through the completion of secondary school.

(4) MULTIPLE AWARD PROHIBITION.—*Eligible entities described in subsection (c)(1) that receive a grant under this chapter shall not be eligible to receive an additional grant under this chapter until after the date on which the initial grant period expires.*

(c) DEFINITION OF ELIGIBLE ENTITY.—For the purposes of this chapter, the term “eligible entity” means—

- (1) a State; or
- (2) a partnership—
 - (A) consisting of—
 - (i) one or more local educational agencies; and

(ii) one or more degree granting institutions of higher education; and

(B) which may include not less than two other community organizations or entities, such as businesses, professional organizations, State agencies, [institutions or agencies sponsoring programs authorized under subpart 4,] or other public or private agencies or organizations.

* * * * *

SEC. 404C. APPLICATIONS.

(a) APPLICATION REQUIRED FOR ELIGIBILITY.—

(1) IN GENERAL.—In order for an eligible entity to qualify for a grant under this chapter, the eligible entity shall submit to the Secretary an application for carrying out the program under this chapter.

(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall be in such form[, contain or be accompanied by such information or assurances,] and be submitted at such time as the Secretary may reasonably require. Each such application shall[, at a minimum]—

(A) describe the activities for which assistance under this chapter is sought, including how the eligible entity will carry out the required activities described in section 404D(a);

[(B) describe, in the case of an eligible entity described in section 404A(c)(2) that chooses to provide scholarships, or an eligible entity described in section 404A(c)(1), how the eligible entity will meet the requirements of section 404E;]

(B) describe, in the case of an eligible entity described in section 404A(c)(2) that chooses to provide scholarships, or an eligible entity described in section 404A(c)(1)—

(i) the eligible entity's plan to establish or maintain a financial assistance program in accordance with the requirements of section 404E, including any eligibility criteria other than the criteria described in section 404E(g), such as—

(I) demonstrating financial need;

(II) meeting and maintaining satisfactory academic progress; and

(III) other criteria aligned with State and local goals to increase postsecondary readiness, access, and completion; and

(ii) how the eligible entity will meet the other requirements of section 404E;

(C) describe, in the case of an eligible entity described in section 404A(c)(2) that requests a reduced match percentage under subsection (b)(2), how such reduction will assist the entity to provide the scholarships described in subsection (b)(2)(A)(ii);

(D) provide assurances that adequate administrative and support staff will be responsible for coordinating the activities described in section 404D;

(E) provide assurances that activities assisted under this chapter will not displace an employee or eliminate a posi-

tion at a school assisted under this chapter, including a partial displacement such as a reduction in hours, wages, or employment benefits;

(F) describe, in the case of an eligible entity described in section 404A(c)(1) that chooses to use a cohort approach, or an eligible entity described in section 404A(c)(2), how the eligible entity will define the cohorts of the students served by the eligible entity pursuant to section 404B(d), and how the eligible entity will serve the cohorts through grade 12, including—

(i) how vacancies in the program under this chapter will be filled; and

(ii) how the eligible entity will serve students attending different secondary schools;

(G) describe how the eligible entity will coordinate programs under this chapter with other existing Federal, State, or local programs to avoid duplication and maximize the number of students served;

[(H) provide such additional assurances as the Secretary determines necessary to ensure compliance with the requirements of this chapter;]

[(I)] (H) provide information about the activities that will be carried out by the eligible entity to support systemic changes from which future cohorts of students will benefit; and

[(J)] (I) describe the sources of matching funds that will enable the eligible entity to meet the matching requirement described in subsection (b).

(b) MATCHING REQUIREMENT.—

(1) IN GENERAL.—The Secretary shall not approve an application submitted under subsection (a) unless such application—

(A) provides that the eligible entity will provide, from State, local, institutional, or private funds, not less than 50 percent of the cost of the program, which matching funds may be provided in cash or in kind and may be accrued over the full duration of the grant award period, except that the eligible entity shall make substantial progress towards meeting the matching requirement in each year of the grant award period;

(B) specifies the methods by which matching funds will be paid; and

(C) includes provisions designed to ensure that funds provided under this chapter shall supplement and not supplant funds expended for existing programs.

[(2) SPECIAL RULE.—Notwithstanding the matching requirement described in paragraph (1)(A), the Secretary may by regulation modify the percentage requirement described in paragraph (1)(A) for eligible entities described in section 404A(c)(2). The Secretary may approve an eligible entity's request for a reduced match percentage—

[(A) at the time of application—

[(i) if the eligible entity demonstrates significant economic hardship that precludes the eligible entity from meeting the matching requirement; or

[(ii) if the eligible entity is described in section 404A(c)(2) and requests that contributions to the eligible entity's scholarship fund established under section 404E be matched on a two to one basis; or

[(B) in response to a petition by an eligible entity subsequent to a grant award under this section if the eligible entity demonstrates that the matching funds described in its application are no longer available and the eligible entity has exhausted all revenues for replacing such matching funds.]

(2) *SPECIAL RULE.*—*Notwithstanding the matching requirement described in paragraph (1)(A), the Secretary may—*

(A) *at the time of application—*

(i) *approve a Partnership applicant's request for a waiver of up to 75 percent of the matching requirement for up to two years if the applicant demonstrates in its application a significant economic hardship that stems from a specific, exceptional, or uncontrollable event, such as a natural disaster, that has a devastating effect on the members of the Partnership and the community in which the project would operate;*

(ii)(I) *approve a Partnership applicant's request to waive up to 50 percent of the matching requirement for up to two years if the applicant demonstrates in its application a pre-existing and an on-going significant economic hardship that precludes the applicant from meeting its matching requirement; and*

(II) *provide tentative approval of an applicant's request for a waiver under subclause (I) for all remaining years of the project period;*

(iii) *approve a Partnership applicant's request in its application to match its contributions to its scholarship fund, established under section 404E, on the basis of two non-Federal dollars for every one dollar of Federal funds provided under this chapter; or*

(iv) *approve a request by a Partnership applicant that has three or fewer institutions of higher education as members to waive up to 70 percent of the matching requirement if the Partnership applicant includes—*

(I) *a fiscal agent that is eligible to receive funds under title V, or part B of title III, or section 316 or 317, or a local educational agency;*

(II) *only participating schools with a 7th grade cohort in which at least 75 percent of the students are eligible for free or reduced-price lunch under the Richard B. Russell National School Lunch Act; and*

(III) *only local educational agencies in which at least 50 percent of the students enrolled are eligible for free or reduced-price lunch under the Richard B. Russell National School Lunch Act; and*

(B) *after a grant is awarded, approve a Partnership grantee's written request for a waiver of up to—*

(i) *50 percent of the matching requirement for up to two years if the grantee demonstrates that—*

(I) the matching contributions described for those two years in the grantee's approved application are no longer available; and

(II) the grantee has exhausted all funds and sources of potential contributions for replacing the matching funds; or

(ii) 75 percent of the matching requirement for up to two years if the grantee demonstrates that matching contributions from the original application are no longer available due to an uncontrollable event, such as a natural disaster, that has a devastating economic effect on members of the Partnership and the community in which the project would operate.

(3) ADDITIONAL TERMS.—

(A) ON-GOING ECONOMIC HARDSHIP.—In determining whether a Partnership applicant is experiencing an on-going economic hardship that is significant enough to justify a waiver under subparagraphs (A)(i) and (A)(ii)(I) of paragraph (2), the Secretary may consider documentation of the following:

(i) Severe distress in the local economy of the community to be served by the grant (e.g., there are few employers in the local area, large employers have left the local area, or significant reductions in employment in the local area).

(ii) Local unemployment rates that are higher than the national average.

(iii) Low or decreasing revenues for State and County governments in the area to be served by the grant.

(iv) Significant reductions in the budgets of institutions of higher education that are participating in the grant.

(v) Other data that reflect a significant economic hardship for the geographical area served by the applicant.

(B) EXHAUSTION OF FUNDS.—In determining whether a Partnership grantee has exhausted all funds and sources of potential contributions for replacing matching funds under paragraph (2)(B), the secretary may consider the grantee's documentation of key factors that have had a direct impact on the grantee such as the following:

(i) A reduction of revenues from State government, County government, or the local educational agency.

(ii) An increase in local unemployment rates.

(iii) Significant reductions in the operating budgets of institutions of higher education that are participating in the grant.

(iv) A reduction of business activity in the local area (e.g., large employers have left the local area).

(v) Other data that reflect a significant decrease in resources available to the grantee in the local geographical area served by the grantee.

(C) RENEWAL OF WAIVER.—A Partnership applicant that receives a tentative approval of a waiver under subparagraph (A)(ii)(II) of paragraph (2) for more than two years

under this paragraph must submit to the Secretary every two years by such time as the Secretary may direct documentation that demonstrates that—

(i) the significant economic hardship upon which the waiver was granted still exists; and

(ii) the grantee tried diligently, but unsuccessfully, to obtain contributions needed to meet the matching requirement.

(D) MULTIPLE WAIVERS.—*If a grantee has received one or more waivers under paragraph (2), the grantee may request an additional waiver of the matching requirement under this subsection not earlier than 60 days before the expiration of the grantee's existing waiver.*

(c) METHODS FOR COMPLYING WITH MATCHING REQUIREMENT.—An eligible entity may count toward the matching requirement described in subsection (b)(1)(A)—

(1) the amount of the financial assistance obligated to students from State, local, institutional, or private funds under this chapter, including pre-existing non-Federal financial assistance programs, including—

(A) the amount contributed to a student scholarship fund established under section 404E; and

(B) the amount of the costs of administering the scholarship program under section 404E;

(2) the amount of tuition, fees, room or board waived or reduced for recipients of financial assistance under this chapter;

(3) the amount expended on documented, targeted, long-term mentoring and counseling provided by volunteers or paid staff of nonschool organizations, including businesses, religious organizations, community groups, postsecondary educational institutions, nonprofit and philanthropic organizations, and other organizations; and

(4) other resources recognized by the Secretary, including equipment and supplies, cash contributions from non-Federal sources, transportation expenses, in-kind or discounted program services, indirect costs, and facility usage.

(d) PEER REVIEW PANELS.—The Secretary shall convene peer review panels to assist in making determinations regarding the awarding of grants under this chapter.

SEC. 404D. ACTIVITIES.

(a) REQUIRED ACTIVITIES.—Each eligible entity receiving a grant under this chapter shall provide comprehensive mentoring, outreach, and supportive services to students participating in the programs under this chapter. Such activities shall include the following:

(1) Providing information regarding **financial aid for** *financial aid, including loans, grants, scholarships, and institutional aid* for postsecondary education to participating students in the cohort described in section 404B(d)(1)(A) or to priority students described in subsection (d).

(2) Encouraging student enrollment in **rigorous and challenging curricula and coursework**, in order to *curricula and coursework designed to reduce the need for remedial coursework at the postsecondary level.*

(3) *Providing information to students and families about the advantages of obtaining a postsecondary education.*

(4) *Providing tutors and mentors, who may include adults or former participants of a program under this chapter, for use by eligible students in need.*

[(3)] (5) [Improving] *Providing supportive services to improve the number of participating students who—*
 (A) obtain a secondary school diploma; and
 (B) complete applications for and enroll in a program of postsecondary education.

[(4)] (6) In the case of an eligible entity described in section 404A(c)(1), providing for the scholarships described in section 404E.

(b) PERMISSIBLE ACTIVITIES FOR STATES AND PARTNERSHIPS.—An eligible entity that receives a grant under this chapter may use grant funds to carry out one or more of the following activities:

[(1)] Providing tutors and mentors, who may include adults or former participants of a program under this chapter, for eligible students.]

[(2)] (1) Conducting outreach activities to recruit priority students described in subsection (d) to participate in program activities.

[(3)] (2) Providing supportive services to eligible students.

[(4)] (3) Supporting the development or implementation of [rigorous] academic curricula, which may include college preparatory, Advanced Placement, or International Baccalaureate programs, and providing participating students access to [rigorous] core academic courses that reflect challenging State academic standards.

[(5)] (4) Supporting dual or concurrent enrollment programs between the secondary school and institution of higher education partners of an eligible entity described in section 404A(c)(2), and other activities that support participating students in—

- (A) meeting challenging State academic standards;
- (B) successfully applying for postsecondary education;
- (C) successfully applying for student financial aid; and
- (D) developing graduation and career plans.

[(6)] (5) Providing special programs or tutoring in science, technology, engineering, or mathematics.

[(7)] (6) In the case of an eligible entity described in section 404A(c)(2), providing support for scholarships described in section 404E.

[(8)] (7) Introducing eligible students to institutions of higher education, through trips and school-based sessions.

[(9)] (8) Providing an intensive extended school day, school year, or summer program that offers—

- (A) additional academic classes; or
- (B) assistance with college admission applications.

[(10)] (9) Providing other activities designed to ensure secondary school completion and postsecondary education enrollment of at-risk children, such as—

- (A) the identification of at-risk children;
- (B) after-school and summer tutoring;

(C) assistance to at-risk children in obtaining summer jobs;

(D) academic counseling;

(E) *providing counseling or referral services to address the behavioral, social-emotional, and mental health needs of at-risk students;*

[(E)] (F) financial literacy and economic literacy education or counseling;

[(F)] (G) volunteer and parent involvement;

[(G)] (H) encouraging former or current participants of a program under this chapter to serve as peer counselors;

[(H)] skills assessments] (I) *skills, cognitive, non-cognitive, and credit-by-examination assessments;*

[(I)] (J) personal and family counseling, and home visits;

[(J)] (K) staff development; [and]

[(K)] (L) programs and activities described in this subsection that are specially designed for students who are limited English proficient[.]; and

(M) *capacity building activities that create college-going cultures in participating schools and local education agencies.*

[(11)] (10) Enabling eligible students to enroll in Advanced Placement or International Baccalaureate courses, or college entrance examination preparation courses.

[(12)] (11) Providing services to eligible students in the participating cohort described in section 404B(d)(1)(A), through the first year of attendance at an institution of higher education.

[(13)] (12) Fostering and improving parent and family involvement in elementary and secondary education by promoting the advantages of a college education, and emphasizing academic admission requirements and the need to take college preparation courses, through parent engagement and leadership activities.

[(14)] (13) Disseminating information that promotes the importance of higher education, explains college preparation and admission requirements, and raises awareness of the resources and services provided by the eligible entities to eligible students, their families, and communities.

[(15)] (14) In the event that matching funds described in the application are no longer available, engaging entities described in section 404A(c)(2) in a collaborative manner to provide matching resources and participate in other activities authorized under this section.

(15) *Creating or expanding drop-out recovery programs that allow individuals who drop out of school to complete a regular secondary school diploma and begin college-level work.*

(c) ADDITIONAL PERMISSIBLE ACTIVITIES FOR STATES.—In addition to the required activities described in subsection (a) and the permissible activities described in subsection (b), an eligible entity described in section 404A(c)(1) receiving funds under this chapter may use grant funds to carry out one or more of the following activities:

(1) Providing technical assistance to—

- (A) secondary schools that are located within the State;
 - or
 - (B) partnerships described in section 404A(c)(2) that are located within the State.
- (2) Providing professional development opportunities to individuals working with eligible cohorts of students described in section 404B(d)(1)(A).
- (3) Providing administrative support *and technical assistance* to help build the capacity of eligible entities described in section 404A(c)(2) to compete for and manage grants awarded under this chapter.
- (4) Providing strategies and activities that align efforts in the State to prepare eligible students to attend and succeed in postsecondary education, which may include the development of graduation and career plans.
- (5) Disseminating information on the use of scientifically valid research and best practices to improve services for eligible students.
- (6)(A) Disseminating information on effective coursework and support services that assist students in obtaining the goals described in subparagraph (B)(ii).
- (B) Identifying and disseminating information on best practices with respect to—
- (i) increasing parental involvement; and
 - (ii) preparing students, including students with disabilities and students who are limited English proficient, to succeed academically in, and prepare financially for, postsecondary education.
- (7) Working to align State academic standards and curricula with the expectations of postsecondary institutions and employers.
- (8) Developing alternatives to traditional secondary school that give students a head start on attaining a recognized postsecondary credential (including an industry-recognized certificate, an apprenticeship, or an associate's or a bachelor's degree), including school designs that give students early exposure to college-level courses and experiences and allow students to earn transferable college credits or an associate's degree at the same time as a secondary school diploma.
- 【(9) Creating community college programs for drop-outs that are personalized drop-out recovery programs that allow drop-outs to complete a regular secondary school diploma and begin college-level work.】
- (d) PRIORITY STUDENTS.—For eligible entities not using a cohort approach, the eligible entity shall treat as a priority student any student in secondary school who is—
- (1) eligible to be counted under section 1124(c) of the Elementary and Secondary Education Act of 1965;
 - (2) eligible for assistance under a State program funded under part A or E of title IV of the Social Security Act (42 U.S.C. 601 et seq., 670 et seq.);
 - (3) eligible for assistance under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.); or

(4) otherwise considered by the eligible entity to be a disconnected student.

(e) ALLOWABLE PROVIDERS.—In the case of eligible entities described in section 404A(c)(1), the activities required by this section may be provided by service providers such as community-based organizations, schools, institutions of higher education, public and private agencies, nonprofit and philanthropic organizations, businesses, [institutions and agencies sponsoring programs authorized under subpart 4,] and other organizations the State determines appropriate.

SEC. 404E. SCHOLARSHIP COMPONENT.

(a) IN GENERAL.—

(1) STATES.—In order to receive a grant under this chapter, an eligible entity described in section 404A(c)(1) shall establish or maintain a financial assistance program *described in section 404C(a)(2)(B)(i)* that awards scholarships to students in accordance with the requirements of this section. The Secretary shall encourage the eligible entity to ensure that a scholarship provided pursuant to this section is available to an eligible student for use at any institution of higher education.

(2) PARTNERSHIPS.—An eligible entity described in section 404A(c)(2) may award scholarships to eligible students in accordance with the requirements of this section.

(b) LIMITATION.—

(1) IN GENERAL.—Subject to paragraph (2), each eligible entity described in section 404A(c)(1) that receives a grant under this chapter shall use not less than 25 percent and not more than 50 percent of the grant funds for activities described in section 404D (except for the activity described in subsection (a)(4) of such section), with the remainder of such funds to be used for a scholarship program under this section in accordance with such subsection.

(2) EXCEPTION.—Notwithstanding paragraph (1), the Secretary may allow an eligible entity to use more than 50 percent of grant funds received under this chapter for such activities, if the eligible entity demonstrates that the eligible entity has another means of providing the students with the financial assistance described in this section and describes such means in the application submitted under section 404C.

(c) NOTIFICATION OF ELIGIBILITY.—Each eligible entity providing scholarships under this section shall provide information on the eligibility requirements for the scholarships to all participating students upon the students' entry into the programs assisted under this chapter.

(d) GRANT AMOUNTS.—The maximum amount of a scholarship that an eligible student shall be eligible to receive under this section shall be established by the eligible entity. The minimum amount of the scholarship for each fiscal year shall not be less than the minimum Federal Pell Grant award under section 401 for such award year.

(e) PORTABILITY OF ASSISTANCE.—

(1) IN GENERAL.—Each eligible entity described in section 404A(c)(1) that receives a grant under this chapter shall hold in reserve, for the students served by such grant as described in section 404B(d)(1)(A) or 404D(d), [an amount that is not

less than the minimum scholarship amount described in subsection (d), multiplied by the number of students the eligible entity estimates will meet the requirements of paragraph (2).] *an estimated amount that is based on the requirements of the financial assistance program of the eligible entity described in section 404C(a)(2)(B)(i).*

(2) REQUIREMENT FOR PORTABILITY.—Funds held in reserve under paragraph (1) shall be made available to an eligible student when the eligible student has—

(A) completed a secondary school diploma, its recognized equivalent, or another recognized alternative standard for individuals with disabilities; and

(B) enrolled in an institution of higher education.

(3) QUALIFIED EDUCATIONAL EXPENSES.—Funds available to an eligible student under this subsection may be used for—

(A) tuition, fees, books, supplies, and equipment required for the enrollment or attendance of the eligible student at an institution of higher education; and

(B) in the case of an eligible student with special needs, expenses for special needs services that are incurred in connection with such enrollment or attendance.

(4) RETURN OF FUNDS.—

(A) REDISTRIBUTION.—

(i) IN GENERAL.—Funds held in reserve under paragraph (1) that are not used by an eligible student within six years of the student's scheduled completion of secondary school may be redistributed by the eligible entity to other eligible students.

(ii) RETURN OF EXCESS TO THE SECRETARY.—If, after meeting the requirements of paragraph (1) and, if applicable, redistributing excess funds in accordance with clause (i) of this subparagraph, an eligible entity has funds held in reserve under paragraph (1) that remain available, the eligible entity shall return such remaining reserved funds to the Secretary for distribution to other grantees under this chapter in accordance with the funding rules described in section 404B(a).

(B) NONPARTICIPATING ENTITY.—Notwithstanding subparagraph (A), in the case of an eligible entity that does not receive assistance under this subpart for six fiscal years, the eligible entity shall return any funds held in reserve under paragraph (1) that are not awarded or obligated to eligible students to the Secretary for distribution to other grantees under this chapter.

(f) RELATION TO OTHER ASSISTANCE.—Scholarships provided under this section shall not be considered for the purpose of awarding Federal grant assistance under this title, except that in no case shall the total amount of student financial assistance awarded to a student under this title exceed such student's total cost of attendance.

(g) ELIGIBLE STUDENTS.—A student eligible for assistance under this section is a student who—

(1) is less than 22 years old at time of first scholarship award under this section;

(2) receives a secondary school diploma or its recognized equivalent on or after January 1, 1993;

(3) is enrolled or accepted for enrollment in a program of undergraduate instruction at an institution of higher education that is located within the State's boundaries, except that, at the State's option, an eligible entity may offer scholarship program portability for recipients who attend institutions of higher education outside such State; and

(4) who participated in the activities required under section 404D(a).

* * * * *

SEC. 404G. EVALUATION AND REPORT.

(a) **EVALUATION.**—Each eligible entity receiving a grant under this chapter shall biennially evaluate the activities assisted under this chapter in accordance with the standards described in subsection (b) and shall submit to the Secretary a copy of such evaluation. The evaluation shall permit service providers to track eligible student progress during the period such students are participating in the activities and shall be consistent with the standards developed by the Secretary pursuant to subsection (b).

(b) **EVALUATION STANDARDS.**—The Secretary shall prescribe standards for the evaluation described in subsection (a). Such standards shall—

(1) provide for input from eligible entities and service providers; **[and]**

(2) ensure that data protocols and procedures are consistent and uniform**[.]; and**

(3) *include the following metrics:*

(A) *the number of students completing the Free Application for Federal Student Aid;*

(B) *the enrollment of participating students in curricula and coursework designed to reduce the need for remedial coursework at the postsecondary level;*

(C) *if applicable, the number of students receiving a scholarship;*

(D) *the graduation rate of participating students from high school;*

(E) *the enrollment of participating students into postsecondary education; and*

(F) *such other information as the Secretary may require.*

(c) **FEDERAL EVALUATION.**—In order to evaluate and improve the impact of the activities assisted under this chapter, the Secretary shall, from not more than 0.75 percent of the funds appropriated under section 404H for a fiscal year, award one or more grants, contracts, or cooperative agreements to or with public and private institutions and organizations, to enable the institutions and organizations to evaluate the effectiveness of the program and, as appropriate, disseminate the results of the evaluation. Such evaluation shall include a separate analysis of—

(1) the implementation of the scholarship component described in section 404E; and

(2) the use of methods for complying with matching requirements described in paragraphs (1) and (2) of section 404C(c).

(d) REPORT.—The Secretary shall biennially report to Congress regarding the activities assisted under this chapter and the evaluations conducted pursuant to this section.

SEC. 404H. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this chapter **[\$400,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years]** *\$339,754,000 for fiscal year 2019 and each of the five succeeding fiscal years.*

[SUBPART 3—FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

[SEC. 413A. PURPOSE; APPROPRIATIONS AUTHORIZED.

[(a) PURPOSE OF SUBPART.—It is the purpose of this subpart to provide, through institutions of higher education, supplemental grants to assist in making available the benefits of postsecondary education to qualified students who demonstrate financial need in accordance with the provisions of part F of this title.

[(b) AUTHORIZATION OF APPROPRIATIONS.—(1) For the purpose of enabling the Secretary to make payments to institutions of higher education which have made agreements with the Secretary in accordance with section 413C(a), for use by such institutions for payments to undergraduate students of supplemental grants awarded to them under this subpart, there are authorized to be appropriated such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[(2) Sums appropriated pursuant to this subsection for any fiscal year shall be available for payments to institutions until the end of the second fiscal year succeeding the fiscal year for which such sums were appropriated.

[SEC. 413B. AMOUNT AND DURATION OF GRANTS.

[(a) AMOUNT OF GRANT.—(1) Except as provided in paragraph (3), from the funds received by it for such purpose under this subpart, an institution which awards a supplemental grant to a student for an academic year under this subpart shall, for each year, pay to that student an amount not to exceed the lesser of (A) the amount determined by the institution, in accordance with the provisions of part F of this title, to be needed by that student to enable the student to pursue a course of study at the institution or in a program of study abroad that is approved for credit by the institution at which the student is enrolled, or (B) \$4,000.

[(2) If the amount determined under paragraph (1) with respect to a student for any academic year is less than \$100, no payment shall be made to that student for that year. For a student enrolled for less than a full academic year, the minimum payment required shall be reduced proportionately.

[(3) For students participating in study abroad programs, the institution shall consider all reasonable costs associated with such study abroad when determining student eligibility. The amount of grant to be awarded in such cases may exceed the maximum amount of \$4,000 by as much as \$400 if reasonable study abroad costs exceed the cost of attendance at the home institution.

[(b) PERIOD FOR RECEIPT OF GRANTS; CONTINUING ELIGIBILITY.—(1) The period during which a student may receive supplemental grants shall be the period required for the completion of the first

undergraduate baccalaureate course of study being pursued by that student.

[(2) A supplemental grant awarded under this subpart shall entitle the student (to whom it is awarded) to payments pursuant to such grant only if the student meets the requirements of section 484, except as provided in section 413C(c).

[(c) DISTRIBUTION OF GRANT DURING ACADEMIC YEAR.—Nothing in this section shall be construed to prohibit an institution from making payments of varying amounts from a supplemental grant to a student during an academic year to cover costs for a period which are not applicable to other periods of such academic year.

[(SEC. 413C. AGREEMENTS WITH INSTITUTIONS; SELECTION OF RECIPIENTS.

[(a) INSTITUTIONAL ELIGIBILITY.—Assistance may be made available under this subpart only to an institution which—

[(1) has, in accordance with section 487, an agreement with the Secretary applicable to this subpart;

[(2) agrees that the Federal share of awards under this subpart will not exceed 75 percent of such awards, except that the Federal share may be exceeded if the Secretary determines, pursuant to regulations establishing objective criteria for such determinations, that a larger Federal share is required to further the purpose of this subpart; and
except that the Federal share may be exceeded if the Secretary determines, pursuant to regulations establishing objective criteria for such determinations, that a larger Federal share is required to further the purpose of this subpart; and

[(3) agrees that the non-Federal share of awards made under this subpart shall be made from the institution's own resources, including—

[(A) institutional grants and scholarships;

[(B) tuition or fee waivers;

[(C) State scholarships; and

[(D) foundation or other charitable organization funds.

[(b) ELIGIBILITY FOR SELECTION.—Awards may be made under this subpart only to a student who—

[(1) is an eligible student under section 484; and

[(2) makes application at a time and in a manner consistent with the requirements of the Secretary and that institution.

[(c) SELECTION OF INDIVIDUALS AND DETERMINATION OF AMOUNT OF AWARDS.—(1) From among individuals who are eligible for supplemental grants for each fiscal year, the institution shall, in accordance with the agreement under section 487, and within the amount allocated to the institution for that purpose for that year under section 413D, select individuals who are to be awarded such grants and determine, in accordance with section 413B, the amounts to be paid to them.

[(2)(A) In carrying out paragraph (1) of this subsection, each institution of higher education shall, in the agreement made under section 487, assure that the selection procedures—

[(i) will be designed to award supplemental grants under this subpart, first, to students with exceptional need, and

[(ii) will give a priority for supplemental grants under this subpart to students who receive Pell Grants and meet the requirements of section 484.

[(B) For the purpose of subparagraph (A), the term “students with exceptional need” means students with the lowest expected family contributions at the institution.

[(d) USE OF FUNDS FOR LESS-THAN-FULL-TIME STUDENTS.—If the institution’s allocation under this subpart is directly or indirectly based in part on the financial need demonstrated by students who are independent students or attending the institution on less than a full-time basis, then a reasonable proportion of the allocation shall be made available to such students.

[(e) USE AND TRANSFER OF FUNDS FOR ADMINISTRATIVE EXPENSES.—An agreement entered into pursuant to this section shall provide that funds granted to an institution of higher education may be used only to make payments to students participating in a grant program authorized under this subpart, except that an institution may use a portion of the sums allocated to it under this subpart to meet administrative expenses in accordance with section 489 of this title.

[SEC. 413D. ALLOCATION OF FUNDS.

[(a) ALLOCATION BASED ON PREVIOUS ALLOCATION.—(1) From the amount appropriated pursuant to section 413A(b) for each fiscal year, the Secretary shall first allocate to each eligible institution an amount equal to 100 percent of the amount such institution received under subsections (a) and (b) of this section for fiscal year 1999 (as such subsections were in effect with respect to allocations for such fiscal year).

[(2)(A) From the amount so appropriated, the Secretary shall next allocate to each eligible institution that began participation in the program under this subpart after fiscal year 1999 but is not a first or second time participant, an amount equal to the greater of—

[(i) \$5,000; or

[(ii) 90 percent of the amount received and used under this subpart for the first year it participated in the program.

[(B) From the amount so appropriated, the Secretary shall next allocate to each eligible institution that began participation in the program under this subpart after fiscal year 1999 and is a first or second time participant, an amount equal to the greatest of—

[(i) \$5,000;

[(ii) an amount equal to (I) 90 percent of the amount received and used under this subpart in the second preceding fiscal year by eligible institutions offering comparable programs of instruction, divided by (II) the number of students enrolled at such comparable institutions in such fiscal year, multiplied by (III) the number of students enrolled at the applicant institution in such fiscal year; or

[(iii) 90 percent of the institution’s allocation under this part for the preceding fiscal year.

[(C) Notwithstanding subparagraphs (A) and (B) of this paragraph, the Secretary shall allocate to each eligible institution which

[(i) was a first-time participant in the program in fiscal year 2000 or any subsequent fiscal year, and

[(ii) received a larger amount under this subsection in the second year of participation,

an amount equal to 90 percent of the amount it received under this subsection in its second year of participation.

[(3)(A) If the amount appropriated for any fiscal year is less than the amount required to be allocated to all institutions under paragraph (1) of this subsection, then the amount of the allocation to each such institution shall be ratably reduced.

[(B) If the amount appropriated for any fiscal year is more than the amount required to be allocated to all institutions under paragraph (1) but less than the amount required to be allocated to all institutions under paragraph (2), then—

[(i) the Secretary shall allot the amount required to be allocated to all institutions under paragraph (1), and

[(ii) the amount of the allocation to each institution under paragraph (2) shall be ratably reduced.

[(C) If additional amounts are appropriated for any such fiscal year, such reduced amounts shall be increased on the same basis as they were reduced (until the amount allocated equals the amount required to be allocated under paragraphs (1) and (2) of this subsection).

[(4)(A) Notwithstanding any other provision of this section, the Secretary may allocate an amount equal to not more than 10 percent of the amount by which the amount appropriated in any fiscal year to carry out this part exceeds \$700,000,000 among eligible institutions described in subparagraph (B).

[(B) In order to receive an allocation pursuant to subparagraph (A) an institution shall be an eligible institution from which 50 percent or more of the Pell Grant recipients attending such eligible institution graduate from or transfer to a 4-year institution of higher education.

[(b) ALLOCATION OF EXCESS BASED ON FAIR SHARE.—(1) From the remainder of the amount appropriated pursuant to section 413A(b) for each year (after making the allocations required by subsection (a)), the Secretary shall allocate to each eligible institution which has an excess eligible amount an amount which bears the same ratio to such remainder as such excess eligible amount bears to the sum of the excess eligible amounts of all such eligible institutions (having such excess eligible amounts).

[(2) For any eligible institution, the excess eligible amount is the amount, if any, by which—

[(A)(i) the amount of that institution's need (as determined under subsection (c)), divided by (ii) the sum of the need of all institutions (as so determined), multiplied by (iii) the amount appropriated pursuant to section 413A(b) of the fiscal year; exceeds

[(B) the amount required to be allocated to that institution under subsection (a).

[(c) DETERMINATION OF INSTITUTION'S NEED.—(1) The amount of an institution's need is equal to—

[(A) the sum of the need of the institution's eligible undergraduate students; minus

[(B) the sum of grant aid received by students under subparts 1 and 3 of this part.

[(2) To determine the need of an institution's eligible undergraduate students, the Secretary shall—

[(A) establish various income categories for dependent and independent undergraduate students;

[(B) establish an expected family contribution for each income category of dependent and independent undergraduate students, determined on the basis of the average expected family contribution (computed in accordance with part F of this title) of a representative sample within each income category for the second preceding fiscal year;

[(C) compute 75 percent of the average cost of attendance for all undergraduate students;

[(D) multiply the number of eligible dependent students in each income category by 75 percent of the average cost of attendance for all undergraduate students determined under subparagraph (C), minus the expected family contribution determined under subparagraph (B) for that income category, except that the amount computed by such subtraction shall not be less than zero;

[(E) add the amounts determined under subparagraph (D) for each income category of dependent students;

[(F) multiply the number of eligible independent students in each income category by 75 percent of the average cost of attendance for all undergraduate students determined under subparagraph (C), minus the expected family contribution determined under subparagraph (B) for that income category, except that the amount computed by such subtraction shall not be less than zero;

[(G) add the amounts determined under subparagraph (F) for each income category of independent students; and

[(H) add the amounts determined under subparagraphs (E) and (G).

[(3)(A) For purposes of paragraph (2), the term “average cost of attendance” means the average of the attendance costs for undergraduate students which shall include (i) tuition and fees determined in accordance with subparagraph (B), (ii) standard living expenses determined in accordance with subparagraph (C), and (iii) books and supplies determined in accordance with subparagraph (D).

[(B) The average undergraduate tuition and fees described in subparagraph (A)(i) shall be computed on the basis of information reported by the institution to the Secretary, which shall include (i) total revenue received by the institution from undergraduate tuition and fees for the second year preceding the year for which it is applying for an allocation, and (ii) the institution’s enrollment for such second preceding year.

[(C) The standard living expense described in subparagraph (A)(ii) is equal to 150 percent of the difference between the income protection allowance for a family of five with one in college and the income protection allowance for a family of six with one in college for a single independent student.

[(D) The allowance for books and supplies described in subparagraph (A)(iii) is equal to \$600.

[(d) REALLOCATION OF EXCESS ALLOCATIONS.—(1) If an institution returns to the Secretary any portion of the sums allocated to such institution under this section for any fiscal year the Secretary shall, in accordance with regulations, reallocate such excess to other institutions.

[(2) If under paragraph (1) of this subsection an institution returns more than 10 percent of its allocation, the institution's allocation for the next fiscal year shall be reduced by the amount returned. The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing this paragraph would be contrary to the interest of the program.

[(e) FILING DEADLINES.—The Secretary shall, from time to time, set dates before which institutions must file applications for allocations under this part.

[SEC. 413E. CARRYOVER AND CARRYBACK AUTHORITY.

[(a) CARRYOVER AUTHORITY.—Of the sums made available to an eligible institution under this subpart for a fiscal year, not more than 10 percent may, at the discretion of the institution, remain available for expenditure during the succeeding fiscal year to carry out the program under this subpart.

[(b) CARRYBACK AUTHORITY.—

[(1) IN GENERAL.—Of the sums made available to an eligible institution under this subpart for a fiscal year, not more than 10 percent may, at the discretion of the institution, be used by the institution for expenditure for the fiscal year preceding the fiscal year for which the sums were appropriated.

[(2) USE OF CARRIED-BACK FUNDS.—An eligible institution may make grants to students after the end of the academic year, but prior to the beginning of the succeeding fiscal year, from such succeeding fiscal year's appropriations.

[SUBPART 4—LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM

[SEC. 415A. PURPOSE; APPROPRIATIONS AUTHORIZED.

[(a) PURPOSE OF SUBPART.—It is the purpose of this subpart to make incentive grants available to States to assist States in—

[(1) providing grants to—

[(A) eligible students attending institutions of higher education or participating in programs of study abroad that are approved for credit by institutions of higher education at which such students are enrolled; and

[(B) eligible students for campus-based community service work-study; and

[(2) carrying out the activities described in section 415E.

[(b) AUTHORIZATION OF APPROPRIATIONS; AVAILABILITY.—

[(1) IN GENERAL.—There are authorized to be appropriated to carry out this subpart \$200,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years.

[(2) RESERVATION.—For any fiscal year for which the amount appropriated under paragraph (1) exceeds \$30,000,000, the excess amount shall be available to carry out section 415E.

[(3) AVAILABILITY.—Sums appropriated pursuant to the authority of paragraph (1) for any fiscal year shall remain available for payments to States under this subpart until the end of the fiscal year succeeding the fiscal year for which such sums were appropriated.

[SEC. 415B. ALLOTMENT AMONG STATES.

[(a) ALLOTMENT BASED ON NUMBER OF ELIGIBLE STUDENTS IN ATTENDANCE.—(1) From the sums appropriated pursuant to section 415A(b)(1) and not reserved under section 415A(b)(2) for any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to such sums as the number of students who are deemed eligible in such State for participation in the grant program authorized by this subpart bears to the total number of such students in all the States, except that no State shall receive less than the State received for fiscal year 1979.

[(2) For the purpose of this subsection, the number of students who are deemed eligible in a State for participation in the grant program authorized by this subpart, and the number of such students in all the States, shall be determined for the most recent year for which satisfactory data are available.

[(b) REALLOTMENT.—The amount of any State's allotment under subsection (a) for any fiscal year which the Secretary determines will not be required for such fiscal year for the leveraging educational assistance partnership program of that State shall be available for reallocation from time to time, on such dates during such year as the Secretary may fix, to other States in proportion to the original allotments to such States under such part for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use for such year for carrying out the State plan. The total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this part during a year from funds appropriated pursuant to section 415A(b)(1) shall be deemed part of its allotment under subsection (a) for such year.

[(c) ALLOTMENTS SUBJECT TO CONTINUING COMPLIANCE.—The Secretary shall make payments for continuing incentive grants only to States which continue to meet the requirements of section 415C(b).

[SEC. 415C. APPLICATIONS FOR LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAMS.

[(a) SUBMISSION AND CONTENTS OF APPLICATIONS.—A State which desires to obtain a payment under this subpart for any fiscal year shall submit annually an application therefor through the State agency administering its program under this subpart as of July 1, 1985, unless the Governor of that State so designates, in writing, a different agency to administer the program. The application shall contain such information as may be required by, or pursuant to, regulation for the purpose of enabling the Secretary to make the determinations required under this subpart.

[(b) PAYMENT OF FEDERAL SHARE OF GRANTS MADE BY QUALIFIED PROGRAM.—From a State's allotment under this subpart for any fiscal year the Secretary is authorized to make payments to such State for paying up to 50 percent of the amount of student grants pursuant to a State program which—

[(1) is administered by a single State agency;

[(2) provides that such grants will be in amounts not to exceed the lesser of \$12,500 or the student's cost of attendance per academic year (A) for attendance on a full-time basis at an

institution of higher education, and (B) for campus-based community service work learning study jobs;

[(3) provides that—

[(A) not more than 20 percent of the allotment to the State for each fiscal year may be used for the purpose described in paragraph (2)(B);

[(B) grants for the campus-based community work learning study jobs may be made only to students who are otherwise eligible for assistance under this subpart; and

[(C) grants for such jobs be made in accordance with the provisions of section 443(b)(1);

[(4) provides for the selection of recipients of such grants or of such State work-study jobs on the basis of substantial financial need determined annually on the basis of criteria established by the State and approved by the Secretary, except that for the purpose of collecting data to make such determination of financial need, no student or parent shall be charged a fee that is payable to an entity other than such State;

[(5) provides that, effective with respect to any academic year beginning on or after October 1, 1978, all nonprofit institutions of higher education in the State are eligible to participate in the State program, except in any State in which participation of nonprofit institutions of higher education is in violation of the constitution of the State or in any State in which participation of nonprofit institutions of higher education is in violation of a statute of the State which was enacted prior to October 1, 1978;

[(6) provides for the payment of the non-Federal portion of such grants or of such work-study jobs from funds supplied by such State which represent an additional expenditure for such year by such State for grants or work-study jobs for students attending institutions of higher education over the amount expended by such State for such grants or work-study jobs, if any, during the second fiscal year preceding the fiscal year in which such State initially received funds under this subpart;

[(7) provides that if the State's allocation under this subpart is based in part on the financial need demonstrated by students who are independent students or attending the institution less than full time, a reasonable proportion of the State's allocation shall be made available to such students;

[(8) provides for State expenditures under such program of an amount not less than the average annual aggregate expenditures for the preceding three fiscal years or the average annual expenditure per full-time equivalent student for such years;

[(9) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State agency under this subpart, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Secretary to perform his functions under this subpart;

[(10) for any academic year beginning after June 30, 1987, provides the non-Federal share of the amount of student

grants or work-study jobs under this subpart through State funds for the program under this subpart; and

[(11) provides notification to eligible students that such grants are—

[(A) Leveraging Educational Assistance Partnership Grants; and

[(B) funded by the Federal Government, the State, and, where applicable, other contributing partners.

[(c) RESERVATION AND DISBURSEMENT OF ALLOTMENTS AND RE-ALLOTMENTS.—Upon his approval of any application for a payment under this subpart, the Secretary shall reserve from the applicable allotment (including any applicable reallotment) available therefor, the amount of such payment, which (subject to the limits of such allotment or reallotment) shall be equal to the Federal share of the cost of the students' incentive grants or work-study jobs covered by such application. The Secretary shall pay such reserved amount, in advance or by way of reimbursement, and in such installments as the Secretary may determine. The Secretary may amend the reservation of any amount under this section, either upon approval of an amendment of the application or upon revision of the estimated cost of the student grants or work-study jobs with respect to which such reservation was made. If the Secretary approves an upward revision of such estimated cost, the Secretary may reserve the Federal share of the added cost only from the applicable allotment (or reallotment) available at the time of such approval.

[SEC. 415D. ADMINISTRATION OF STATE PROGRAMS; JUDICIAL REVIEW.

[(a) DISAPPROVAL OF APPLICATIONS; SUSPENSION OF ELIGIBILITY.—(1) The Secretary shall not finally disapprove any application for a State program submitted under section 415C, or any modification thereof, without first affording the State agency submitting the program reasonable notice and opportunity for a hearing.

[(2) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency administering a State program approved under this subpart, finds—

[(A) that the State program has been so changed that it no longer complies with the provisions of this subpart, or

[(B) that in the administration of the program there is a failure to comply substantially with any such provisions, the Secretary shall notify such State agency that the State will not be regarded as eligible to participate in the program under this subpart until he is satisfied that there is no longer any such failure to comply.

[(b) REVIEW OF DECISIONS.—(1) If any State is dissatisfied with the Secretary's final action with respect to the approval of its State program submitted under this subpart or with his final action under subsection (a), such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

[(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause

shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

[(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

[SEC. 415E. GRANTS FOR ACCESS AND PERSISTENCE.

[(a) PURPOSE.—It is the purpose of this section to expand college access and increase college persistence by making allotments to States to enable the States to—

[(1) expand and enhance partnerships with institutions of higher education, early information and intervention, mentoring, or outreach programs, private corporations, philanthropic organizations, and other interested parties, including community-based organizations, in order to—

[(A) carry out activities under this section; and

[(B) provide coordination and cohesion among Federal, State, and local governmental and private efforts that provide financial assistance to help low-income students attend an institution of higher education;

[(2) provide need-based grants for access and persistence to eligible low-income students;

[(3) provide early notification to low-income students of the students' eligibility for financial aid; and

[(4) encourage increased participation in early information and intervention, mentoring, or outreach programs.

[(b) ALLOTMENTS TO STATES.—

[(1) IN GENERAL.—

[(A) AUTHORIZATION.—From sums reserved under section 415A(b)(2) for each fiscal year, the Secretary shall make an allotment to each State that submits an application for an allotment in accordance with subsection (c) to enable the State to pay the Federal share, as described in paragraph (2), of the cost of carrying out the activities under subsection (d).

[(B) DETERMINATION OF ALLOTMENT.—In making allotments under subparagraph (A), the Secretary shall consider the following:

[(i) CONTINUATION OF AWARD.—Except as provided in clause (ii), if a State continues to meet the specifications established in such State's application under subsection (c), the Secretary shall make an allotment to such State that is not less than the allotment made to such State for the previous fiscal year.

[(ii) SPECIAL CONTINUATION AND TRANSITION RULE.—If a State that applied for and received an allotment under this section for fiscal year 2010 pursuant to subsection (j) meets the specifications established in the State's application under subsection (c) for fiscal year 2011, then the Secretary shall make an allotment to

such State for fiscal year 2011 that is not less than the allotment made pursuant to subsection (j) to such State for fiscal year 2010 under this section (as this section was in effect on the day before the date of enactment of the Higher Education Opportunity Act (Public Law 110–315)).

[(iii) PRIORITY.—The Secretary shall give priority in making allotments to States that meet the requirements described in paragraph (2)(B)(ii).

[(2) FEDERAL SHARE.—

[(A) IN GENERAL.—The Federal share of the cost of carrying out the activities under subsection (d) for any fiscal year shall not exceed 66.66 percent.

[(B) DIFFERENT PERCENTAGES.—The Federal share under this section shall be determined in accordance with the following:

[(i) The Federal share of the cost of carrying out the activities under subsection (d) shall be 57 percent if a State applies for an allotment under this section in partnership with any number of degree-granting institutions of higher education in the State whose combined full-time enrollment represents less than a majority of all students attending institutions of higher education in the State, and—

[(I) philanthropic organizations that are located in, or that provide funding in, the State; or

[(II) private corporations that are located in, or that do business in, the State.

[(ii) The Federal share of the cost of carrying out the activities under subsection (d) shall be 66.66 percent if a State applies for an allotment under this section in partnership with any number of degree-granting institutions of higher education in the State whose combined full-time enrollment represents a majority of all students attending institutions of higher education in the State, and—

[(I) philanthropic organizations that are located in, or that provide funding in, the State; or

[(II) private corporations that are located in, or that do business in, the State.

[(C) NON-FEDERAL SHARE.—

[(i) IN GENERAL.—The non-Federal share under this section may be provided in cash or in kind, fairly evaluated.

[(ii) IN-KIND CONTRIBUTION.—For the purpose of calculating the non-Federal share under this subparagraph, an in-kind contribution is a non-cash contribution that—

[(I) has monetary value, such as the provision of—

[(aa) room and board; or

[(bb) transportation passes; and

[(II) helps a student meet the cost of attendance at an institution of higher education.

[(iii) EFFECT ON NEED ANALYSIS.—For the purpose of calculating a student's need in accordance with part F, an in-kind contribution described in clause (ii) shall not be considered an asset or income of the student or the student's parent.

[(c) APPLICATION FOR ALLOTMENT.—

[(1) IN GENERAL.—

[(A) SUBMISSION.—A State that desires to receive an allotment under this section on behalf of a partnership described in paragraph (3) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

[(B) CONTENT.—An application submitted under subparagraph (A) shall include the following:

[(i) A description of the State's plan for using the allotted funds.

[(ii) An assurance that the State will provide matching funds, in cash or in kind, from State, institutional, philanthropic, or private funds, of not less than 33.33 percent of the cost of carrying out the activities under subsection (d). The State shall specify the methods by which matching funds will be paid. A State that uses non-Federal funds to create or expand partnerships with entities described in subsection (a)(1), in which such entities match State funds for student scholarships, may apply such matching funds from such entities toward fulfilling the State's matching obligation under this clause.

[(iii) An assurance that the State will use funds provided under this section to supplement, and not supplant, Federal and State funds available for carrying out the activities under this title.

[(iv) An assurance that early information and intervention, mentoring, or outreach programs exist within the State or that there is a plan to make such programs widely available.

[(v) A description of the organizational structure that the State has in place to administer the activities under subsection (d), including a description of how the State will compile information on degree completion of students receiving grants under this section.

[(vi) A description of the steps the State will take to ensure that students who receive grants under this section persist to degree completion.

[(vii) An assurance that the State has a method in place, such as acceptance of the automatic zero expected family contribution determination described in section 479(c), to identify eligible low-income students and award State grant aid to such students.

[(viii) An assurance that the State will provide notification to eligible low-income students that grants under this section are—

[(I) Leveraging Educational Assistance Partnership Grants; and

【(II) funded by the Federal Government and the State, and, where applicable, other contributing partners.

【(2) STATE AGENCY.—The State agency that submits an application for a State under section 415C(a) shall be the same State agency that submits an application under paragraph (1) for such State.

【(3) PARTNERSHIP.—In applying for an allotment under this section, the State agency shall apply for the allotment in partnership with—

【(A) not less than one public and one private degree-granting institution of higher education that are located in the State, if applicable;

【(B) new or existing early information and intervention, mentoring, or outreach programs located in the State; and

【(C) not less than one—

【(i) philanthropic organization located in, or that provides funding in, the State; or

【(ii) private corporation located in, or that does business in, the State.

【(4) ROLES OF PARTNERS.—

【(A) STATE AGENCY.—A State agency that is in a partnership receiving an allotment under this section—

【(i) shall—

【(I) serve as the primary administrative unit for the partnership;

【(II) provide or coordinate non-Federal share funds, and coordinate activities among partners;

【(III) encourage each institution of higher education in the State to participate in the partnership;

【(IV) make determinations and early notifications of assistance as described under subsection (d)(2); and

【(V) annually report to the Secretary on the partnership's progress in meeting the purpose of this section; and

【(ii) may provide early information and intervention, mentoring, or outreach programs.

【(B) DEGREE-GRANTING INSTITUTIONS OF HIGHER EDUCATION.—A degree-granting institution of higher education that is in a partnership receiving an allotment under this section—

【(i) shall—

【(I) recruit and admit participating qualified students and provide such additional institutional grant aid to participating students as agreed to with the State agency;

【(II) provide support services to students who receive grants for access and persistence under this section and are enrolled at such institution; and

【(III) assist the State in the identification of eligible students and the dissemination of early noti-

fications of assistance as agreed to with the State agency; and

[(ii) may provide funding for early information and intervention, mentoring, or outreach programs or provide such services directly.

[(C) PROGRAMS.—An early information and intervention, mentoring, or outreach program that is in a partnership receiving an allotment under this section shall provide direct services, support, and information to participating students.

[(D) PHILANTHROPIC ORGANIZATION OR PRIVATE CORPORATION.—A philanthropic organization or private corporation that is in a partnership receiving an allotment under this section shall provide funds for grants for access and persistence for participating students, or provide funds or support for early information and intervention, mentoring, or outreach programs.

[(d) AUTHORIZED ACTIVITIES.—

[(1) IN GENERAL.—

[(A) ESTABLISHMENT OF PARTNERSHIP.—Each State receiving an allotment under this section shall use the funds to establish a partnership to award grants for access and persistence to eligible low-income students in order to increase the amount of financial assistance such students receive under this subpart for undergraduate education expenses.

[(B) AMOUNT OF GRANTS.—The amount of a grant for access and persistence awarded by a State to a student under this section shall be not less than—

[(i) the average undergraduate tuition and mandatory fees at the public institutions of higher education in the State where the student resides that are of the same type of institution as the institution of higher education the student attends; minus

[(ii) other Federal and State aid the student receives.

[(C) SPECIAL RULES.—

[(i) PARTNERSHIP INSTITUTIONS.—A State receiving an allotment under this section may restrict the use of grants for access and persistence under this section by awarding the grants only to students attending institutions of higher education that are participating in the partnership.

[(ii) OUT-OF-STATE INSTITUTIONS.—If a State provides grants through another program under this subpart to students attending institutions of higher education located in another State, grants awarded under this section may be used at institutions of higher education located in another State.

[(2) EARLY NOTIFICATION.—

[(A) IN GENERAL.—Each State receiving an allotment under this section shall annually notify low-income students in grades seven through 12 in the State, and their families, of their potential eligibility for student financial

assistance, including an access and persistence grant, to attend an institution of higher education.

[(B) CONTENT OF NOTICE.—The notice under subparagraph (A)—

[(i) shall include—

[(I) information about early information and intervention, mentoring, or outreach programs available to the student;

[(II) information that a student's eligibility for a grant for access and persistence is enhanced through participation in an early information and intervention, mentoring, or outreach program;

[(III) an explanation that student and family eligibility for, and participation in, other Federal means-tested programs may indicate eligibility for a grant for access and persistence and other student aid programs;

[(IV) a nonbinding estimate of the total amount of financial aid that a low-income student with a similar income level may expect to receive, including an estimate of the amount of a grant for access and persistence and an estimate of the amount of grants, loans, and all other available types of aid from the major Federal and State financial aid programs;

[(V) an explanation that in order to be eligible for a grant for access and persistence, at a minimum, a student shall—

[(aa) meet the requirement under paragraph (3);

[(bb) graduate from secondary school; and

[(cc) enroll at an institution of higher education—

[(AA) that is a partner in the partnership; or

[(BB) with respect to which attendance is permitted under subsection (d)(1)(C)(ii);

[(VI) information on any additional requirements (such as a student pledge detailing student responsibilities) that the State may impose for receipt of a grant for access and persistence under this section; and

[(VII) instructions on how to apply for a grant for access and persistence and an explanation that a student is required to file a Free Application for Federal Student Aid authorized under section 483(a) to be eligible for such grant and assistance from other Federal and State financial aid programs; and

[(ii) may include a disclaimer that grant awards for access and persistence are contingent on—

[(I) a determination of the student's financial eligibility at the time of the student's enrollment at an institution of higher education that is a

partner in the partnership or qualifies under subsection (d)(1)(C)(ii);

[(II) annual Federal and State spending for higher education; and

[(III) other aid received by the student at the time of the student's enrollment at such institution of higher education.

[(3) ELIGIBILITY.—In determining which students are eligible to receive grants for access and persistence, the State shall ensure that each such student complies with the following subparagraph (A) or (B):

[(A) Meets not less than two of the following criteria, with priority given to students meeting all of the following criteria:

[(i) Has an expected family contribution equal to zero, as determined under part F, or a comparable alternative based upon the State's approved criteria in section 415C(b)(4).

[(ii) Qualifies for the State's maximum undergraduate award, as authorized under section 415C(b).

[(iii) Is participating in, or has participated in, a Federal, State, institutional, or community early information and intervention, mentoring, or outreach program, as recognized by the State agency administering activities under this section.

[(B) Is receiving, or has received, a grant for access and persistence under this section, in accordance with paragraph (5).

[(4) GRANT AWARD.—Once a student, including those students who have received early notification under paragraph (2) from the State, applies for admission to an institution that is a partner in the partnership, files a Free Application for Federal Student Aid and any related State form, and is determined eligible by the State under paragraph (3), the State shall—

[(A) issue the student a preliminary award certificate for a grant for access and persistence with estimated award amounts; and

[(B) inform the student that payment of the grant for access and persistence award amounts is subject to certification of enrollment and award eligibility by the institution of higher education.

[(5) DURATION OF AWARD.—An eligible student who receives a grant for access and persistence under this section shall receive such grant award for each year of such student's undergraduate education in which the student remains eligible for assistance under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, except that the State may impose reasonable time limits to degree completion.

[(e) ADMINISTRATIVE COST ALLOWANCE.—A State that receives an allotment under this section may reserve not more than two percent of the funds made available annually through the allotment for State administrative functions required to carry out this section.

[(f) STATUTORY AND REGULATORY RELIEF FOR INSTITUTIONS OF HIGHER EDUCATION.—The Secretary may grant, upon the request of an institution of higher education that is in a partnership described in subsection (b)(2)(B)(ii) and that receives an allotment under this section, a waiver for such institution from statutory or regulatory requirements that inhibit the ability of the institution to successfully and efficiently participate in the activities of the partnership.

[(g) APPLICABILITY RULE.—The provisions of this subpart that are not inconsistent with this section shall apply to the program authorized by this section.

[(h) MAINTENANCE OF EFFORT REQUIREMENT.—Each State receiving an allotment under this section for a fiscal year shall provide the Secretary with an assurance that the aggregate amount expended per student or the aggregate expenditures by the State, from funds derived from non-Federal sources, for the authorized activities described in subsection (d) for the preceding fiscal year were not less than the amount expended per student or the aggregate expenditure by the State for the activities for the second preceding fiscal year.

[(i) SPECIAL RULE.—Notwithstanding subsection (h), for purposes of determining a State's share of the cost of the authorized activities described in subsection (d), the State shall consider only those expenditures from non-Federal sources that exceed the State's total expenditures for need-based grants, scholarships, and work-study assistance for fiscal year 1999 (including any such assistance provided under this subpart).

[(j) CONTINUATION AND TRANSITION.—For the two-year period that begins on the date of enactment of the Higher Education Opportunity Act, the Secretary shall continue to award grants under section 415E of the Higher Education Act of 1965 as such section existed on the day before the date of enactment of the Higher Education Opportunity Act to States that choose to apply for grants under such predecessor section.

[(k) REPORTS.—Not later than three years after the date of enactment of the Higher Education Opportunity Act and annually thereafter, the Secretary shall submit a report describing the activities and the impact of the partnerships under this section to the authorizing committees.

[SEC. 415F. DEFINITION.]

[For the purpose of this subpart, the term “community service” means services, including direct service, planning, and applied research which are identified by an institution of higher education, through formal or informal consultation with local nonprofit, governmental, and community-based organizations, and which—

(1) are designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to the needs of such residents, including but not limited to, such fields as health care, child care, education, literacy training, welfare, social services, public safety, crime prevention and control, transportation, recreation, housing and neighborhood improvement, rural development, and community improvement; and

[(2) provide participating students with work-learning opportunities related to their educational or vocational programs or goals.

SUBPART 5—SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES
ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK

SEC. 418A. MAINTENANCE AND EXPANSION OF EXISTING PROGRAMS.

(a) PROGRAM AUTHORITY.—The Secretary shall maintain and expand existing secondary and postsecondary high school equivalency program and college assistance migrant program projects located at institutions of higher education or at private nonprofit organizations working in cooperation with institutions of higher education.

(b) SERVICES PROVIDED BY HIGH SCHOOL EQUIVALENCY PROGRAM.—The services authorized by this subpart for the high school equivalency program include—

- (1) recruitment services to reach persons—
 - (A)(i) who are 16 years of age and over; or
 - (ii) who are beyond the age of compulsory school attendance in the State in which such persons reside and are not enrolled in school;
 - (B)(i) who themselves, or whose immediate family, have spent a minimum of 75 days during the past 24 months in migrant and seasonal farmwork; or
 - (ii) who are eligible to participate, or have participated within the preceding 2 years, in programs under part C of title I of the Elementary and Secondary Education Act of 1965 or section 167 of the Workforce Investment Act of 1998; and
 - (C) who lack a high school diploma or its equivalent;
- (2) educational services which provide instruction designed to help students obtain a general education diploma which meets the guidelines established by the State in which the project is located for high school equivalency;
- (3) supportive services which include the following:
 - (A) personal, vocational, and academic counseling;
 - (B) placement services designed to place students in a university, college, or junior college program (including preparation for college entrance examinations), or in military service or career positions; and
 - (C) health services;
- (4) information concerning, and assistance in obtaining, available student financial aid;
- (5) stipends for high school equivalency program participants;
- (6) housing for those enrolled in residential programs;
- (7) exposure to cultural events, academic programs, and other educational and cultural activities usually not available to migrant youth;
- (8) other essential supportive services (such as transportation and child care), as needed to ensure the success of eligible students; and
- (9) other activities to improve persistence and retention in postsecondary education.

(c) SERVICES PROVIDED BY COLLEGE ASSISTANCE MIGRANT PROGRAM.—(1) Services authorized by this subpart for the college assistance migrant program include—

(A) outreach and recruitment services to reach persons who themselves or whose immediate family have spent a minimum of 75 days during the past 24 months in migrant and seasonal farmwork or who have participated or are eligible to participate, in programs under part C of title I of the Elementary and Secondary Education Act of 1965 or section 167 of the Workforce Investment Act of 1998, and who meet the minimum qualifications for attendance at a college or university;

(B) supportive and instructional services to improve placement, persistence, and retention in postsecondary education, which include:

(i) personal, academic, career, and economic education or personal finance counseling as an ongoing part of the program;

(ii) tutoring and academic skill building instruction and assistance;

(iii) assistance with special admissions;

(iv) health services; and

(v) other services as necessary to assist students in completing program requirements;

(C) assistance in obtaining student financial aid which includes, but is not limited to:

(i) stipends;

(ii) scholarships;

(iii) student travel;

(iv) career oriented work study;

(v) books and supplies;

(vi) tuition and fees;

(vii) room and board; and

(viii) other assistance necessary to assist students in completing their first year of college;

(D) housing support for students living in institutional facilities and commuting students;

(E) exposure to cultural events, academic programs, and other activities not usually available to migrant youth;

(F) internships; and

(G) other essential supportive services (such as transportation and child care) as necessary to ensure the success of eligible students.

(2) A recipient of a grant to operate a college assistance migrant program under this subpart shall provide followup services for migrant students after such students have completed their first year of college, and shall not use more than 10 percent of such grant for such followup services. Such followup services may include—

(A) monitoring and reporting the academic progress of students who participated in the project during such student's first year of college and during such student's subsequent years in college;

(B) referring such students to on- or off-campus providers of counseling services, academic assistance, or financial aid, and coordinating such services, assistance, and aid with other non-program services, assistance, and aid, including services, as-

sistance, and aid provided by community-based organizations, which may include mentoring and guidance; and

(C) for students attending two-year institutions of higher education, encouraging the students to transfer to four-year institutions of higher education, where appropriate, and monitoring the rate of transfer of such students.

(d) **MANAGEMENT PLAN REQUIRED.**—Each project application shall include a management plan which contains assurances that the grant recipient will coordinate the project, to the extent feasible, with other local, State, and Federal programs to maximize the resources available for migrant students, and that staff shall have a demonstrated knowledge and be sensitive to the unique characteristics and needs of the migrant and seasonal farmworker population, and provisions for:

- (1) staff in-service training;
- (2) training and technical assistance;
- (3) staff travel;
- (4) student travel;
- (5) interagency coordination; and
- (6) an evaluation plan.

(e) **FIVE-YEAR GRANT PERIOD; CONSIDERATION OF PRIOR EXPERIENCE.**—Except under extraordinary circumstances, the Secretary shall award grants for a 5-year period. For the purpose of making grants under this subpart, the Secretary shall consider the prior experience of service delivery under the particular project for which funds are sought by each applicant. Such prior experience shall be awarded the same level of consideration given this factor for applicants for programs in accordance with section 402A(c)(2).

(f) **MINIMUM ALLOCATIONS.**—The Secretary shall not allocate an amount less than—

- (1) \$180,000 for each project under the high school equivalency program, and
- (2) \$180,000 for each project under the college assistance migrant program.

(g) **RESERVATION AND ALLOCATION OF FUNDS.**—From the amounts made available under subsection (i), the Secretary—

(1) may reserve not more than a total of $\frac{1}{2}$ of one percent for outreach activities, technical assistance, and professional development programs relating to the programs under subsection (a);

(2) for any fiscal year for which the amount appropriated to carry out this section is equal to or greater than \$40,000,000, shall, in awarding grants from the remainder of such amounts—

(A) make available not less than 45 percent of such remainder for the high school equivalency programs and not less than 45 percent of such remainder for the college assistance migrant programs;

(B) award the rest of such remainder for high school equivalency programs or college assistance migrant programs based on the number, quality, and promise of the applications; and

(C) consider the need to provide an equitable geographic distribution of such grants; and

(3) for any fiscal year for which the amount appropriated to carry out this section is less than \$40,000,000, shall, in awarding grants from the remainder of such amounts make available the same percentage of funds to the high school equivalency program and to the college assistance migrant program as was made available for each such program for the fiscal year preceding the fiscal year for which the grant was made.

(h) DATA COLLECTION.—The Secretary shall—

(1) annually collect data on persons receiving services authorized under this subpart regarding such persons' rates of secondary school graduation, entrance into postsecondary education, and completion of postsecondary education, as applicable;

(2) not less often than once every two years, prepare and submit to the authorizing committees a report based on the most recently available data under paragraph (1); and

(3) make such report available to the public.

(i) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants and contracts under this section, there are authorized to be appropriated **[\$75,000,000 for fiscal year 2009 and such sums as may be necessary for the each of the five succeeding fiscal years.] \$44,623,000 for each of fiscal years 2019 through 2024.**

[SUBPART 6—ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM

[SEC. 419A. STATEMENT OF PURPOSE.

[It is the purpose of this subpart to establish a Robert C. Byrd Honors Scholarship Program to promote student excellence and achievement and to recognize exceptionally able students who show promise of continued excellence.

[SEC. 419C. SCHOLARSHIPS AUTHORIZED.

[(a) PROGRAM AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this subpart, to make grants to States to enable the States to award scholarships to individuals who have demonstrated outstanding academic achievement and who show promise of continued academic achievement.

[(b) PERIOD OF AWARD.—Scholarships under this section shall be awarded for a period of not less than 1 or more than 4 years during the first 4 years of study at any institution of higher education eligible to participate in any programs assisted under this title. The State educational agency administering the program in a State shall have discretion to determine the period of the award (within the limits specified in the preceding sentence), except that—

[(1) if the amount appropriated for this subpart for any fiscal year exceeds the amount appropriated for this subpart for fiscal year 1993, the Secretary shall identify to each State educational agency the number of scholarships available to that State under section 419D(b) that are attributable to such excess; and

[(2) the State educational agency shall award not less than that number of scholarships for a period of 4 years.

[(c) USE AT ANY INSTITUTION PERMITTED.—A student awarded a scholarship under this subpart may attend any institution of higher education.

[(d) BYRD SCHOLARS.—Individuals awarded scholarships under this subpart shall be known as “Byrd Scholars”.

[SEC. 419D. ALLOCATION AMONG STATES.

[(a) ALLOCATION FORMULA.—From the sums appropriated pursuant to the authority of section 419K for any fiscal year, the Secretary shall allocate to each State that has an agreement under section 419E an amount equal to \$1,500 multiplied by the number of scholarships determined by the Secretary to be available to such State in accordance with subsection (b).

[(b) NUMBER OF SCHOLARSHIPS AVAILABLE.—The number of scholarships to be made available in a State for any fiscal year shall bear the same ratio to the number of scholarships made available to all States as the State’s population ages 5 through 17 bears to the population ages 5 through 17 in all the States, except that not less than 10 scholarships shall be made available to any State.

[(c) USE OF CENSUS DATA.—For the purpose of this section, the population ages 5 through 17 in a State and in all the States shall be determined by the most recently available data, satisfactory to the Secretary, from the Bureau of the Census.

[(d) CONSOLIDATION BY INSULAR AREAS PROHIBITED.—Notwithstanding section 501 of Public Law 95–134 (48 U.S.C. 1469a), funds allocated under this part to an Insular Area described in that section shall be deemed to be direct payments to classes of individuals, and the Insular Area may not consolidate such funds with other funds received by the Insular Area from any department or agency of the United States Government.

[(e) FAS ELIGIBILITY.—

[(1) FISCAL YEARS 2000 THROUGH 2004.—Notwithstanding any other provision of this subpart, in the case of students from the Freely Associated States who may be selected to receive a scholarship under this subpart for the first time for any of the fiscal years 2000 through 2004—

[(A) there shall be 10 scholarships in the aggregate awarded to such students for each of the fiscal years 2000 through 2004; and

[(B) the Pacific Regional Educational Laboratory shall administer the program under this subpart in the case of scholarships for students in the Freely Associated States.

[(2) TERMINATION OF ELIGIBILITY.—A student from the Freely Associated States shall not be eligible to receive a scholarship under this subpart after September 30, 2004.

[SEC. 419E. AGREEMENTS.

[The Secretary shall enter into an agreement with each State desiring to participate in the scholarship program authorized by this subpart. Each such agreement shall include provisions designed to assure that—

[(1) the State educational agency will administer the scholarship program authorized by this subpart in the State;

[(2) the State educational agency will comply with the eligibility and selection provisions of this subpart;

[(3) the State educational agency will conduct outreach activities to publicize the availability of scholarships under this subpart to all eligible students in the State, with particular emphasis on activities designed to assure that students from

low-income and moderate-income families have access to the information on the opportunity for full participation in the scholarship program authorized by this subpart; and

[(4) the State educational agency will pay to each individual in the State who is awarded a scholarship under this subpart \$1,500.

[SEC. 419F. ELIGIBILITY OF SCHOLARS.

[(a) HIGH SCHOOL GRADUATION OR EQUIVALENT AND ADMISSION TO INSTITUTION REQUIRED.—Each student awarded a scholarship under this subpart shall be a graduate of a public or private secondary school (or a home school, whether treated as a home school or a private school under State law) or have the equivalent of a certificate of graduation as recognized by the State in which the student resides and must have been admitted for enrollment at an institution of higher education.

[(b) SELECTION BASED ON PROMISE OF ACADEMIC ACHIEVEMENT.—Each student awarded a scholarship under this subpart must demonstrate outstanding academic achievement and show promise of continued academic achievement.

[SEC. 419G. SELECTION OF SCHOLARS.

[(a) ESTABLISHMENT OF CRITERIA.—The State educational agency is authorized to establish the criteria for the selection of scholars under this subpart.

[(b) ADOPTION OF PROCEDURES.—The State educational agency shall adopt selection procedures designed to ensure an equitable geographic distribution of awards within the State (and in the case of the Federated States of Micronesia, the Republic of the Marshall Islands, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, or Palau (until such time as the Compact of Free Association is ratified), not to exceed 10 individuals will be selected from such entities).

[(c) CONSULTATION REQUIREMENT.—In carrying out its responsibilities under subsections (a) and (b), the State educational agency shall consult with school administrators, school boards, teachers, counselors, and parents.

[(d) TIMING OF SELECTION.—The selection process shall be completed, and the awards made, prior to the end of each secondary school academic year.

[SEC. 419H. STIPENDS AND SCHOLARSHIP CONDITIONS.

[(a) AMOUNT OF AWARD.—Each student awarded a scholarship under this subpart shall receive a stipend of \$1,500 for the academic year of study for which the scholarship is awarded, except that in no case shall the total amount of financial aid awarded to such student exceed such student's total cost-of-attendance.

[(b) USE OF AWARD.—The State educational agency shall establish procedures to assure that a scholar awarded a scholarship under this subpart pursues a course of study at an institution of higher education.

[SEC. 419J. CONSTRUCTION OF NEEDS PROVISIONS.

[Except as provided in section 471, nothing in this subpart, or any other Act, shall be construed to permit the receipt of a scholarship under this subpart to be counted for any needs test in connection with the awarding of any grant or the making of any loan

under this Act or any other provision of Federal law relating to educational assistance.

[SEC. 419K. AUTHORIZATION OF APPROPRIATIONS.

¶There are authorized to be appropriated for this subpart such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

Subpart 7—Child Care Access Means Parents in School

SEC. 419N. CHILD CARE ACCESS MEANS PARENTS IN SCHOOL.

(a) PURPOSE.—The purpose of this section is to support the participation of low-income parents in postsecondary education through the provision of campus-based child care services.

(b) PROGRAM AUTHORIZED.—

(1) AUTHORITY.—The Secretary may award grants to institutions of higher education to assist the institutions in providing campus-based child care services to low-income students.

(2) AMOUNT OF GRANTS.—

(A) IN GENERAL.—The amount of a grant awarded to an institution of higher education under this section for a fiscal year shall not exceed 1 percent of the total amount of all Federal Pell Grant funds awarded to students enrolled at the institution of higher education for the preceding fiscal year.

(B) MINIMUM.—

(i) IN GENERAL.—Except as provided in clause (ii), a grant under this section shall be awarded in an amount that is not less than \$10,000.

(ii) INCREASE TRIGGER.—For any fiscal year for which the amount appropriated under the authority of subsection (g) is equal to or greater than \$20,000,000, a grant under this section shall be awarded in an amount that is not less than \$30,000.

(3) DURATION; RENEWAL; AND PAYMENTS.—

(A) DURATION.—The Secretary shall award a grant under this section for a period of 4 years.

(B) PAYMENTS.—Subject to subsection (e)(2), the Secretary shall make annual grant payments under this section.

(4) ELIGIBLE INSTITUTIONS.—An institution of higher education shall be eligible to receive a grant under this section for a fiscal year if the total amount of all Federal Pell Grant funds awarded to students enrolled at the institution of higher education for the preceding fiscal year equals or exceeds \$350,000, except that for any fiscal year for which the amount appropriated to carry out this section is equal to or greater than \$20,000,000, this sentence shall be applied by substituting “\$250,000” for “\$350,000”.

(5) USE OF FUNDS.—Grant funds under this section shall be used by an institution of higher education to support or establish a campus-based child care program primarily serving the needs of low-income students enrolled at the institution of higher education. Grant funds under this section may be used

to provide before and after school services to the extent necessary to enable low-income students enrolled at the institution of higher education to pursue postsecondary education.

(6) **【CONSTRUCTION】** *RULE OF CONSTRUCTION.*—Nothing in this section shall be construed to prohibit an institution of higher education that receives grant funds under this section from serving the child care needs of the community served by the institution.

(7) **DEFINITION OF LOW-INCOME STUDENT.**—For the purpose of this section, the term “low-income student” means a student—

(A) who is eligible to receive a Federal Pell Grant for the award year for which the determination is made; or

(B) who would otherwise be eligible to receive a Federal Pell Grant for the award year for which the determination is made, except that the student fails to meet the requirements of—

(i) section 401(c)(1) because the student is enrolled in a graduate or first professional course of study; or

(ii) section 484(a)(5) because the student is in the United States for a temporary purpose.

(8) **PUBLICITY.**—The Secretary shall publicize the availability of grants under this section in appropriate periodicals, in addition to publication in the Federal Register, and shall inform appropriate educational organizations of such availability.

(c) **APPLICATIONS.**—An institution of higher education desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall—

(1) demonstrate that the institution is an eligible institution described in subsection (b)(4);

(2) specify the amount of funds requested;

(3) demonstrate the need of low-income students at the institution for campus-based child care services by including in the application—

(A) information regarding student demographics;

(B) an assessment of child care capacity on or near campus;

(C) information regarding the existence of waiting lists for existing child care;

(D) information regarding additional needs created by concentrations of poverty or by geographic isolation; and

(E) other relevant data;

(4) contain a description of the activities to be **【assisted】** *funded*, including whether the grant funds will support an existing child care program or a new child care program;

(5) identify the **【resources, including technical expertise】** *resources, including non-Federal resources, technical expertise*, and financial support, the institution will draw upon to support the child care program and the participation of low-income students in the program, such as accessing social services funding, using student activity fees to help pay the costs of child care, using resources obtained by meeting the needs of parents who are not low-income students, and accessing foundation, corporate or other institutional support, and dem-

onstrate that [the use of the] *these* resources will not result in increases in student tuition;

(6) contain an assurance that the institution will meet the child care needs of low-income students through the provision of services, or through a contract for the provision of services;

(7) describe the extent to which the child care program will coordinate with the institution's early childhood education curriculum, to the extent the curriculum is available, to meet the needs of the students in the early childhood education program at the institution, and the needs of the parents and children participating in the child care program assisted under this section;

(8) in the case of an institution seeking assistance for a new child care program—

(A) provide a timeline, covering the period from receipt of the grant through the provision of the child care services, delineating the specific steps the institution will take to achieve the goal of providing low-income students with child care services;

(B) specify any measures the institution will take to assist low-income students with child care during the period before the institution provides child care services; and

(C) include a plan for identifying resources needed for the child care services, including space in which to provide child care services, and technical assistance if necessary;

(9) contain an assurance that any child care facility assisted under this section will meet the applicable State or local government licensing, certification, approval, *provisional status*, or registration requirements[; and] *prior to serving children and families; and*

(10) contain a plan for any child care facility assisted under this section to become accredited within 3 years of the date the institution first receives assistance under this section.

(d) PRIORITY.—The Secretary shall give priority in awarding grants under this section to institutions of higher education that submit applications describing programs that—

(1) leverage significant [local] *non-Federal, local*, or institutional resources, including in-kind contributions, to support the activities assisted under this section; [and]

(2) utilize a sliding fee scale for child care services provided under this section in order to support a high number of low-income parents pursuing postsecondary education at the institution[.]; and

(3) *coordinate with other community programs where appropriate to improve the quality and limit cost of the campus-based program.*

[(e) REPORTING REQUIREMENTS; CONTINUING ELIGIBILITY.—

[(1) REPORTING REQUIREMENTS.—

[(A) REPORTS.—Each institution of higher education receiving a grant under this section shall report to the Secretary annually.

[(B) CONTENTS.—The report shall include—

[(i) data on the population served under this section;

[(ii) information on campus and community resources and funding used to help low-income students access child care services;

[(iii) information on progress made toward accreditation of any child care facility; and

[(iv) information on the impact of the grant on the quality, availability, and affordability of campus-based child care services.]

[(2) CONTINUING ELIGIBILITY.—The Secretary shall make continuation awards under this section to an institution of higher education only if the Secretary determines, on the basis of the reports submitted under paragraph (1), that the institution is making a good faith effort to ensure that low-income students at the institution have access to affordable, quality child care services.]

(e) REPORTING REQUIREMENTS; CONTINUING ELIGIBILITY.—

(1) REPORTING REQUIREMENTS.—

(A) REPORTS.—*Each institution of higher education receiving a grant under this section shall report to the Secretary annually. The Secretary shall annually publish such reports on a publicly accessible website of the Department of Education.*

(B) CONTENTS.—*Each report shall include—*

(i) data on the population served under this section, including the total number of children and families served;

(ii) information on sources of campus and community resources and the amount of non-Federal funding used to help low-income students access child care services on campus;

(iii) documentation that the program meets applicable licensing, certification, approval, or registration requirements; and

(iv) a description of how funding was used to pursue the goals of this section determined by the institution under subsection (c).

(2) CONTINUING ELIGIBILITY.—*The Secretary shall make continuation awards under this section to an institution of higher education only if the Secretary determines, on the basis of the reports submitted under paragraph (1) and the application from the institution, that the institution is—*

(A) using funds only for authorized purposes;

(B) providing low-income students at the institution with priority access to affordable, quality child care services as provided under this section; and

(C) documenting a continued need for Federal funding under this section, while demonstrating how non-federal sources will be leveraged to support a continuation award.

(f) CONSTRUCTION.—No funds provided under this section shall be used for construction, except for minor renovation or repair to meet applicable State or local health or safety requirements.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section [such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years] \$15,134,000 for each of fiscal years 2019 through 2024.

Subpart 9—TEACH Grants

SEC. 420L. DEFINITIONS.

For the purposes of this subpart:

(1) **ELIGIBLE INSTITUTION.**—The term “eligible institution” means an institution of higher education, as defined in [section 102] *section 102 (as in effect on the day before the date of enactment of the PROSPER Act)*, that the Secretary determines—

(A) provides high quality teacher preparation and professional development services, including extensive clinical experience as a part of pre-service preparation;

(B) is financially responsible;

(C) provides pedagogical course work, or assistance in the provision of such coursework, including the monitoring of student performance, and formal instruction related to the theory and practices of teaching; and

(D) provides supervision and support services to teachers, or assistance in the provision of such services, including mentoring focused on developing effective teaching skills and strategies.

(2) **POST-BACCALAUREATE.**—The term “post-baccalaureate” means a program of instruction for individuals who have completed a baccalaureate degree, that does not lead to a graduate degree, and that consists of courses required by a State in order for a teacher candidate to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary school or secondary school in that State, except that such term shall not include any program of instruction offered by an eligible institution that offers a baccalaureate degree in education.

(3) **TEACHER CANDIDATE.**—The term “teacher candidate” means a student or teacher described in subparagraph (A) or (B) of section 420N(a)(2).

SEC. 420M. PROGRAM ESTABLISHED.

(a) **PROGRAM AUTHORITY.**—

(1) **PAYMENTS REQUIRED.**—The Secretary shall pay to each eligible institution such sums as may be necessary to pay to each teacher candidate who files an application and agreement in accordance with section 420N, and who qualifies under paragraph (2) of section 420N(a), a TEACH Grant in the amount of \$4,000 for each year during which that teacher candidate is in attendance at the institution.

(2) **REFERENCES.**—Grants made under paragraph (1) shall be known as “Teacher Education Assistance for College and Higher Education Grants” or “TEACH Grants”.

(3) **TERMINATION.**—

(A) **TERMINATION OF PROGRAM AUTHORITY.**—*Except as provided in paragraph (4), no new grants may be made under this subpart after June 30, 2018.*

(B) **LIMITATION ON FUNDS.**—

(i) **IN GENERAL.**—*No funds are authorized to be appropriated, and no funds may be obligated or expended*

under this Act or any other Act, to make a grant to a new recipient under this subpart.

(ii) NEW RECIPIENT DEFINED.—For purposes of this subparagraph, the term “new recipient” means a teacher candidate who has not received a grant under this subpart for which the first disbursement was on or before June 30, 2018.

(4) STUDENT ELIGIBILITY BEGINNING WITH AWARD YEAR 2018.—With respect to a recipient of a grant under this subpart for which the first disbursement was made on or before June 30, 2018, such recipient may receive additional grants under this subpart until the earlier of—

(A) the date on which the recipient completes the course of study for which the recipient received the grant for which the first disbursement was made on or before June 30, 2018; or

(B) the date on which the recipient receives the total amount that the recipient may receive under this subpart in accordance with subsection (d).

(b) PAYMENT METHODOLOGY.—

(1) PREPAYMENT.—Not less than 85 percent of any funds provided to an eligible institution under subsection (a) shall be advanced to the eligible institution prior to the start of each payment period and shall be based upon an amount requested by the institution as needed to pay teacher candidates until such time as the Secretary determines and publishes in the Federal Register with an opportunity for comment, an alternative payment system that provides payments to institutions in an accurate and timely manner, except that this sentence shall not be construed to limit the authority of the Secretary to place an institution on a reimbursement system of payment.

(2) DIRECT PAYMENT.—Nothing in this section shall be interpreted to prohibit the Secretary from paying directly to teacher candidates, in advance of the beginning of the academic term, an amount for which teacher candidates are eligible, in cases where the eligible institution elects not to participate in the disbursement system required by paragraph (1).

(3) DISTRIBUTION OF GRANTS TO TEACHER CANDIDATES.—Payments under this subpart shall be made, in accordance with regulations promulgated by the Secretary for such purpose, in such manner as will best accomplish the purposes of this subpart. Any disbursement allowed to be made by crediting the teacher candidate’s account shall be limited to tuition and fees and, in the case of institutionally-owned housing, room and board. The teacher candidate may elect to have the institution provide other such goods and services by crediting the teacher candidate’s account.

(c) REDUCTIONS IN AMOUNT.—

(1) PART-TIME STUDENTS.—In any case where a teacher candidate attends an eligible institution on less than a full-time basis (including a teacher candidate who attends an eligible institution on less than a half-time basis) during any year, the amount of a grant under this subpart for which that teacher candidate is eligible shall be reduced in proportion to the degree to which that teacher candidate is not attending on a full-

time basis, in accordance with a schedule of reductions established by the Secretary for the purposes of this subpart, computed in accordance with this subpart. Such schedule of reductions shall be established by regulation and published in the Federal Register in accordance with section 482 of this Act.

(2) NO EXCEEDING COST.—The amount of a grant awarded under this subpart, in combination with Federal assistance and other assistance the student may receive, shall not exceed the cost of attendance (as defined in section 472) at the eligible institution at which that teacher candidate is in attendance.

(d) PERIOD OF ELIGIBILITY FOR GRANTS.—

(1) UNDERGRADUATE AND POST-BACCALAUREATE STUDENTS.—The period during which an undergraduate or post-baccalaureate student may receive grants under this subpart shall be the period required for the completion of the first undergraduate baccalaureate or post-baccalaureate course of study being pursued by the teacher candidate at the eligible institution at which the teacher candidate is in attendance, except that—

(A) any period during which the teacher candidate is enrolled in a noncredit or remedial course of study as described in paragraph (3) shall not be counted for the purpose of this paragraph; and

(B) the total amount that a teacher candidate may receive under this subpart for undergraduate or post-baccalaureate study shall not exceed \$16,000.

(2) GRADUATE STUDENTS.—The period during which a graduate student may receive grants under this subpart shall be the period required for the completion of a master's degree course of study pursued by the teacher candidate at the eligible institution at which the teacher candidate is in attendance, except that the total amount that a teacher candidate may receive under this subpart for graduate study shall not exceed \$8,000.

(3) REMEDIAL COURSE; STUDY ABROAD.—Nothing in this section shall be construed to exclude from eligibility courses of study which are noncredit or remedial in nature (including courses in English language acquisition) which are determined by the eligible institution to be necessary to help the teacher candidate be prepared for the pursuit of a first undergraduate baccalaureate or post-baccalaureate degree or certificate or, in the case of courses in English language instruction, to be necessary to enable the teacher candidate to utilize already existing knowledge, training, or skills. Nothing in this section shall be construed to exclude from eligibility programs of study abroad that are approved for credit by the home institution at which the teacher candidate is enrolled.

SEC. 420N. APPLICATIONS; ELIGIBILITY.

(a) APPLICATIONS; DEMONSTRATION OF ELIGIBILITY.—

(1) FILING REQUIRED.—The Secretary shall periodically set dates by which teacher candidates shall file applications for grants under this subpart. Each teacher candidate desiring a grant under this subpart for any year shall file an application containing such information and assurances as the Secretary

may determine necessary to enable the Secretary to carry out the functions and responsibilities of this subpart.

(2) DEMONSTRATION OF TEACH GRANT ELIGIBILITY.—Each application submitted under paragraph (1) shall contain such information as is necessary to demonstrate that—

(A) if the applicant is an enrolled student—

(i) the student is an eligible student for purposes of section 484;

(ii) the student—

(I) has a grade point average that is determined, under standards prescribed by the Secretary, to be comparable to a 3.25 average on a zero to 4.0 scale, except that, if the student is in the first year of a program of undergraduate education, such grade point average shall be determined on the basis of the student's cumulative secondary school grade point average; or

(II) displayed high academic aptitude by receiving a score above the 75th percentile on at least one of the batteries in an undergraduate, post-baccalaureate, or graduate school admissions test; and

(iii) the student is completing coursework and other requirements necessary to begin a career in teaching, or plans to complete such coursework and requirements prior to graduating; or

(B) if the applicant is a current or prospective teacher applying for a grant to obtain a graduate degree—

(i) the applicant is a teacher or a retiree from another occupation with expertise in a field in which there is a shortage of teachers, such as mathematics, science, special education, English language acquisition, or another high-need subject; or

(ii) the applicant is or was a teacher who is using high-quality alternative certification routes, such as Teach for America, to get certified.

(b) AGREEMENTS TO SERVE.—Each application under subsection (a) shall contain or be accompanied by an agreement by the applicant that—

(1) the applicant will—

(A) serve as a full-time teacher for a total of not less than 4 academic years within 8 years after completing the course of study for which the applicant received a TEACH Grant under this subpart;

[(B) teach in a school described in section 465(a)(2)(A);]

(B) teach—

(i) in a public or other nonprofit private elementary school or secondary school, which, for the purpose of this paragraph and for that year—

(I) has been determined by the Secretary (pursuant to regulations of the Secretary and after consultation with the State educational agency of the State in which the school is located) to be a school in which the number of children meeting a measure of poverty under section 1113(a)(5) of the Ele-

mentary and Secondary Education Act of 1965 (20 U.S.C. 6313(a)(5)), exceeds 30 percent of the total number of children enrolled in such school; and

(II) is in the school district of a local educational agency which is eligible in such year for assistance pursuant to part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.); or

(ii) in one or more public, or nonprofit private, elementary schools or secondary schools or locations operated by an educational service agency that have been determined by the Secretary (pursuant to regulations of the Secretary and after consultation with the State educational agency of the State in which the educational service agency operates) to be a school or location at which the number of children taught who meet a measure of poverty under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6313(a)(5)), exceeds 30 percent of the total number of children taught at such school or location;

(C) teach in any of the following fields—

(i) mathematics;

(ii) science;

(iii) a foreign language;

(iv) bilingual education;

(v) special education;

(vi) as a reading specialist; or

(vii) another field documented as high-need by the Federal Government, State government, or local educational agency, and approved by the Secretary;

(D) submit evidence of such employment in the form of a certification by the chief administrative officer of the school upon completion of each year of such service; and

(E) comply with the requirements for being a highly qualified teacher as defined in section 9101 of the Elementary and Secondary Education Act of 1965;

(2) in the event that the applicant is determined to have failed or refused to carry out such service obligation, the sum of the amounts of any TEACH Grants received by such applicant will be treated as a loan and collected from the applicant in accordance with subsection (c) and the regulations thereunder; and

(3) contains, or is accompanied by, a plain-language disclosure form developed by the Secretary that clearly describes the nature of the TEACH Grant award, the service obligation, and the loan repayment requirements that are the consequence of the failure to complete the service obligation.

(c) REPAYMENT FOR FAILURE TO COMPLETE SERVICE.—In the event that any recipient of a grant under this subpart fails or refuses to comply with the service obligation in the agreement under subsection (b), the sum of the amounts of any TEACH Grants received by such recipient shall, upon a determination of such a failure or refusal in such service obligation, be treated as a Federal Direct Unsubsidized Stafford Loan under part D of title IV (*as in effect on the day before the date of the enactment of the PROSPER*

Act), and shall be subject to repayment, together with interest thereon accruing from the date of the grant award, in accordance with terms and conditions specified by the Secretary in regulations under this subpart.

(d) **ADDITIONAL ADMINISTRATIVE PROVISIONS.—**

(1) **CHANGE OF HIGH-NEED DESIGNATION.—**If a recipient of an initial grant under this subpart has acquired an academic degree, or expertise, in a field that was, at the time of the recipient’s application for that grant, designated as high need in accordance with subsection (b)(1)(C)(vii), but is no longer so designated, the grant recipient may fulfill the service obligation described in subsection (b)(1) by teaching in that field.

(2) **EXTENUATING CIRCUMSTANCES.—**The Secretary shall establish, by regulation, categories of extenuating circumstances under which a recipient of a grant under this subpart who is unable to fulfill all or part of the recipient’s service obligation may be excused from fulfilling that portion of the service obligation.

SEC. 4200. PROGRAM PERIOD AND FUNDING.

Beginning on July 1, [2008] 2008, and ending on June 30, 2018, there shall be available to the Secretary to carry out this subpart, from funds not otherwise appropriated, such sums as may be necessary to provide TEACH Grants in accordance with this subpart to each eligible applicant. *Except as provided in section 420M(a)(4), no funds shall be available to the Secretary to carry out this subpart after June 30, 2018.*

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Subpart 10—Scholarships for Veteran’s Dependents

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PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

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SEC. 428C. FEDERAL CONSOLIDATION LOANS.

(a) **AGREEMENTS WITH ELIGIBLE LENDERS.—**

(1) **AGREEMENT REQUIRED FOR INSURANCE COVERAGE.—**For the purpose of providing loans to eligible borrowers for consolidation of their obligations with respect to eligible student loans, the Secretary or a guaranty agency shall enter into agreements in accordance with subsection (b) with the following eligible lenders:

(A) the Student Loan Marketing Association or the Holding Company of the Student Loan Marketing Association, including any subsidiary of the Holding Company, created pursuant to section 440;

(B) State agencies described in subparagraphs (D) and (F) of section 435(d)(1); and

(C) other eligible lenders described in subparagraphs (A), (B), (C), (E), and (J) of such section.

(2) **INSURANCE COVERAGE OF CONSOLIDATION LOANS.—**Except as provided in section 429(e), no contract of insurance under

this part shall apply to a consolidation loan unless such loan is made under an agreement pursuant to this section and is covered by a certificate issued in accordance with subsection (b)(2). Loans covered by such a certificate that is issued by a guaranty agency shall be considered to be insured loans for the purposes of reimbursements under section 428(c), but no payment shall be made with respect to such loans under section 428(f) to any such agency.

(3) DEFINITION OF ELIGIBLE BORROWER.—(A) For the purpose of this section, the term “eligible borrower” means a borrower who—

- (i) is not subject to a judgment secured through litigation with respect to a loan under this title or to an order for wage garnishment under section 488A; and
 - (ii) at the time of application for a consolidation loan—
 - (I) is in repayment status as determined under section 428(b)(7)(A);
 - (II) is in a grace period preceding repayment; or
 - (III) is a defaulted borrower who has made arrangements to repay the obligation on the defaulted loans satisfactory to the holders of the defaulted loans.
- (B)(i) An individual’s status as an eligible borrower under this section or under section 455(g) terminates under both sections upon receipt of a consolidation loan under this section or under section 455(g), except that—
- (I) an individual who receives eligible student loans after the date of receipt of the consolidation loan may receive a subsequent consolidation loan;
 - (II) loans received prior to the date of the consolidation loan may be added during the 180-day period following the making of the consolidation loan;
 - (III) loans received following the making of the consolidation loan may be added during the 180-day period following the making of the consolidation loan;
 - (IV) loans received prior to the date of the first consolidation loan may be added to a subsequent consolidation loan; and
 - (V) an individual may obtain a subsequent consolidation loan under section 455(g) only—
 - (aa) for the purposes of obtaining income contingent repayment or income-based repayment, and only if the loan has been submitted to the guaranty agency for default aversion or if the loan is already in default;
 - (bb) for the purposes of using the public service loan forgiveness program under section 455(m); or
 - (cc) for the purpose of using the no accrual of interest for active duty service members benefit offered under section 455(o).
- (4) DEFINITION OF ELIGIBLE STUDENT LOANS.—For the purpose of paragraph (1), the term “eligible student loans” means loans—
- (A) made, insured, or guaranteed under this part, and first disbursed before July 1, 2010, including loans on which the borrower has defaulted (but has made arrange-

ments to repay the obligation on the defaulted loans satisfactory to the Secretary or guaranty agency, whichever insured the loans);

(B) made under part E of this title, *as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act*;

(C) made under part D of this title;

(D) made under subpart II of part A of title VII of the Public Health Service Act; or

(E) made under part E of title VIII of the Public Health Service Act.

(b) CONTENTS OF AGREEMENTS, CERTIFICATES OF INSURANCE, AND LOAN NOTES.—

(1) AGREEMENTS WITH LENDERS.—Any lender described in subparagraph (A), (B), or (C) of subsection (a)(1) who wishes to make consolidation loans under this section shall enter into an agreement with the Secretary or a guaranty agency which provides—

(A) that, in the case of all lenders described in subsection (a)(1), the lender will make a consolidation loan to an eligible borrower (on request of that borrower) only if the borrower certifies that the borrower has no other application pending for a loan under this section;

(B) that each consolidation loan made by the lender will bear interest, and be subject to repayment, in accordance with subsection (c);

(C) that each consolidation loan will be made, notwithstanding any other provision of this part limiting the annual or aggregate principal amount for all insured loans made to a borrower, in an amount (i) which is not less than the minimum amount required for eligibility of the borrower under subsection (a)(3), and (ii) which is equal to the sum of the unpaid principal and accrued unpaid interest and late charges of all eligible student loans received by the eligible borrower which are selected by the borrower for consolidation;

(D) that the proceeds of each consolidation loan will be paid by the lender to the holder or holders of the loans so selected to discharge the liability on such loans;

(E) that the lender shall offer an income-sensitive repayment schedule, established by the lender in accordance with the regulations promulgated by the Secretary, to the borrower of any consolidation loan made by the lender on or after July 1, 1994, and before July 1, 2010;

(F) that the lender shall disclose to a prospective borrower, in simple and understandable terms, at the time the lender provides an application for a consolidation loan—

(i) whether consolidation would result in a loss of loan benefits under this part or part D, including loan forgiveness, cancellation, and deferment;

(ii) with respect to Federal Perkins Loans under part E, *as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act*—

(I) that if a borrower includes a Federal Perkins Loan under part E, *as so in effect*, in the consolidation loan, the borrower will lose all interest-free periods that would have been available for the Federal Perkins Loan, such as—

(aa) the periods during which no interest accrues on such loan while the borrower is enrolled in school at least half-time;

(bb) the grace period under section 464(c)(1)(A), *as so in effect*; and

(cc) the periods during which the borrower's student loan repayments are deferred under section 464(c)(2);

(II) that if a borrower includes a Federal Perkins Loan in the consolidation loan, the borrower will no longer be eligible for cancellation of part or all of the Federal Perkins Loan under section 465(a), *as so in effect*; and

(III) the occupations listed in section 465, *as so in effect* that qualify for Federal Perkins Loan cancellation under section 465(a), *as so in effect*;

(iii) the repayment plans that are available to the borrower;

(iv) the options of the borrower to prepay the consolidation loan, to pay such loan on a shorter schedule, and to change repayment plans;

(v) that borrower benefit programs for a consolidation loan may vary among different lenders;

(vi) the consequences of default on the consolidation loan; and

(vii) that by applying for a consolidation loan, the borrower is not obligated to agree to take the consolidation loan; and

(G) such other terms and conditions as the Secretary or the guaranty agency may specifically require of the lender to carry out this section.

(2) ISSUANCE OF CERTIFICATE OF COMPREHENSIVE INSURANCE COVERAGE.—The Secretary shall issue a certificate of comprehensive insurance coverage under section 429(b) to a lender which has entered into an agreement with the Secretary under paragraph (1) of this subsection. The guaranty agency may issue a certificate of comprehensive insurance coverage to a lender with which it has an agreement under such paragraph. The Secretary shall not issue a certificate to a lender described in subparagraph (B) or (C) of subsection (a)(1) unless the Secretary determines that such lender has first applied to, and has been denied a certificate of insurance by, the guaranty agency which insures the preponderance of its loans (by value).

(3) CONTENTS OF CERTIFICATE.—A certificate issued under paragraph (2) shall, at a minimum, provide—

(A) that all consolidation loans made by such lender in conformity with the requirements of this section will be insured by the Secretary or the guaranty agency (whichever is applicable) against loss of principal and interest;

(B) that a consolidation loan will not be insured unless the lender has determined to its satisfaction, in accordance with reasonable and prudent business practices, for each loan being consolidated—

(i) that the loan is a legal, valid, and binding obligation of the borrower;

(ii) that each such loan was made and serviced in compliance with applicable laws and regulations; and

(iii) in the case of loans under this part, that the insurance on such loan is in full force and effect;

(C) the effective date and expiration date of the certificate;

(D) the aggregate amount to which the certificate applies;

(E) the reporting requirements of the Secretary on the lender and an identification of the office of the Department of Education or of the guaranty agency which will process claims and perform other related administrative functions;

(F) the alternative repayment terms which will be offered to borrowers by the lender;

(G) that, if the lender prior to the expiration of the certificate no longer proposes to make consolidation loans, the lender will so notify the issuer of the certificate in order that the certificate may be terminated (without affecting the insurance on any consolidation loan made prior to such termination); and

(H) the terms upon which the issuer of the certificate may limit, suspend, or terminate the lender's authority to make consolidation loans under the certificate (without affecting the insurance on any consolidation loan made prior to such limitation, suspension, or termination).

(4) TERMS AND CONDITIONS OF LOANS.—A consolidation loan made pursuant to this section shall be insurable by the Secretary or a guaranty agency pursuant to paragraph (2) only if the loan is made to an eligible borrower who has agreed to notify the holder of the loan promptly concerning any change of address and the loan is evidenced by a note or other written agreement which—

(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him or her would not, under applicable law, create a binding obligation, endorsement may be required;

(B) provides for the payment of interest and the repayment of principal in accordance with subsection (c) of this section;

(C)(i) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid in accordance with clause (ii), during any period for which the borrower would be eligible for a deferral under section 428(b)(1)(M), and that any such period shall not be included in determining the repayment schedule pursuant to subsection (c)(2) of this section; and

(ii) provides that interest shall accrue and be paid during any such period—

(I) by the Secretary, in the case of a consolidation loan for which the application is received by an eligible lender before the date of enactment of the Emergency Student Loan Consolidation Act of 1997 that consolidated only Federal Stafford Loans for which the student borrower received an interest subsidy under section 428;

(II) by the Secretary, in the case of a consolidation loan for which the application is received by an eligible lender on or after the date of enactment of the Emergency Student Loan Consolidation Act of 1997 except that the Secretary shall pay such interest only on that portion of the loan that repays Federal Stafford Loans for which the student borrower received an interest subsidy under section 428 or Federal Direct Stafford Loans for which the borrower received an interest subsidy under section 455; or

(III) by the borrower, or capitalized, in the case of a consolidation loan other than a loan described in subclause (I) or (II);

(D) entitles the borrower to accelerate without penalty repayment of the whole or any part of the loan; and

(E)(i) contains a notice of the system of disclosure concerning such loan to consumer reporting agencies under section 430A, and (ii) provides that the lender on request of the borrower will provide information on the repayment status of the note to such consumer reporting agencies.

(5) DIRECT LOANS.—If, before July 1, 2010, a borrower is unable to obtain a consolidation loan from a lender with an agreement under subsection (a)(1), or is unable to obtain a consolidation loan with income-sensitive repayment terms or income-based repayment terms acceptable to the borrower from such a lender, or chooses to obtain a consolidation loan for the purposes of using the public service loan forgiveness program offered under section 455(m), the Secretary shall offer any such borrower who applies for it, a Federal Direct Consolidation loan. In addition, in the event that a borrower chooses to obtain a consolidation loan for the purposes of using the no accrual of interest for active duty service members program offered under section 455(o), the Secretary shall offer a Federal Direct Consolidation loan to any such borrower who applies for participation in such program. A direct consolidation loan offered under this paragraph shall, as requested by the borrower, be repaid either pursuant to income contingent repayment under part D of this title, pursuant to income-based repayment under section 493C, or pursuant to any other repayment provision under this section, except that if a borrower intends to be eligible to use the public service loan forgiveness program under section 455(m), such loan shall be repaid using one of the repayment options described in section 455(m)(1)(A). The Secretary shall not offer such loans if, in the Secretary's judgment, the Department of Education does not have the necessary origination and servicing arrangements in place for such loans.

(6) NONDISCRIMINATION IN LOAN CONSOLIDATION.—An eligible lender that makes consolidation loans under this section shall not discriminate against any borrower seeking such a loan—

(A) based on the number or type of eligible student loans the borrower seeks to consolidate, except that a lender is not required to consolidate loans described in subparagraph (D) or (E) of subsection (a)(4) or subsection (d)(1)(C)(ii);

(B) based on the type or category of institution of higher education that the borrower attended;

(C) based on the interest rate to be charged to the borrower with respect to the consolidation loan; or

(D) with respect to the types of repayment schedules offered to such borrower.

(c) PAYMENT OF PRINCIPAL AND INTEREST.—

(1) INTEREST RATE.—(A) Notwithstanding subparagraphs (B) and (C), with respect to any loan made under this section for which the application is received by an eligible lender—

(i) on or after October 1, 1998, and before July 1, 2006, the applicable interest rate shall be determined under section 427A(k)(4); or

(ii) on or after July 1, 2006, and that is disbursed before July 1, 2010, the applicable interest rate shall be determined under section 427A(l)(3).

(B) A consolidation loan made before July 1, 1994, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the greater of—

(i) the weighted average of the interest rates on the loans consolidated, rounded to the nearest whole percent; or

(ii) 9 percent.

(C) A consolidation loan made on or after July 1, 1994, and disbursed before July 1, 2010, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the weighted average of the interest rates on the loans consolidated, rounded upward to the nearest whole percent.

(D) A consolidation loan for which the application is received by an eligible lender on or after the date of enactment of the Emergency Student Loan Consolidation Act of 1997 and before October 1, 1998, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the rate specified in section 427A(f), except that the eligible lender may continue to calculate interest on such a loan at the rate previously in effect and defer, until not later than April 1, 1998, the recalculation of the interest on such a loan at the rate required by this subparagraph if the recalculation is applied retroactively to the date on which the loan is made.

(2) REPAYMENT SCHEDULES.—(A) Notwithstanding any other provision of this part, to the extent authorized by its certificate of insurance under subsection (b)(2) and approved by the issuer of such certificate, the lender of a consolidation loan shall establish repayment terms as will promote the objectives of this section, which shall include the establishment of graduated, income-sensitive, or income-based repayment schedules, estab-

lished by the lender in accordance with the regulations of the Secretary. Except as required by such income-sensitive or income-based repayment schedules, or by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5), such repayment terms shall require that if the sum of the consolidation loan and the amount outstanding on other student loans to the individual—

- (i) is less than \$7,500, then such consolidation loan shall be repaid in not more than 10 years;
 - (ii) is equal to or greater than \$7,500 but less than \$10,000, then such consolidation loan shall be repaid in not more than 12 years;
 - (iii) is equal to or greater than \$10,000 but less than \$20,000, then such consolidation loan shall be repaid in not more than 15 years;
 - (iv) is equal to or greater than \$20,000 but less than \$40,000, then such consolidation loan shall be repaid in not more than 20 years;
 - (v) is equal to or greater than \$40,000 but less than \$60,000, then such consolidation loan shall be repaid in not more than 25 years; or
 - (vi) is equal to or greater than \$60,000, then such consolidation loan shall be repaid in not more than 30 years.
- (B) The amount outstanding on other student loans which may be counted for the purpose of subparagraph (A) may not exceed the amount of the consolidation loan.

(3) ADDITIONAL REPAYMENT REQUIREMENTS.—Notwithstanding paragraph (2)—

- (A) except in the case of an income-based repayment schedule under section 493C, a repayment schedule established with respect to a consolidation loan shall require that the minimum installment payment be an amount equal to not less than the accrued unpaid interest;
- (B) except as required by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5), the lender of a consolidation loan may, with respect to repayment on the loan, when the amount of a monthly or other similar payment on the loan is not a multiple of \$5, round the payment to the next highest whole dollar amount that is a multiple of \$5; and
- (C) an income-based repayment schedule under section 493C shall not be available to a consolidation loan borrower who used the proceeds of the loan to discharge the liability on a loan under section 428B, or a Federal Direct PLUS loan, made on behalf of a dependent student.

(4) COMMENCEMENT OF REPAYMENT.—Repayment of a consolidation loan shall commence within 60 days after all holders have, pursuant to subsection (b)(1)(D), discharged the liability of the borrower on the loans selected for consolidation.

(5) INSURANCE PREMIUMS PROHIBITED.—No insurance premium shall be charged to the borrower on any consolidation loan, and no insurance premium shall be payable by the lender to the Secretary with respect to any such loan, but a fee may be payable by the lender to the guaranty agency to cover the

costs of increased or extended liability with respect to such loan.

(d) SPECIAL PROGRAM AUTHORIZED.—

(1) GENERAL RULE AND DEFINITION OF ELIGIBLE STUDENT LOAN.—

(A) IN GENERAL.—Subject to the provisions of this subsection, the Secretary or a guaranty agency shall enter into agreements with eligible lenders described in subparagraphs (A), (B), and (C) of subsection (a)(1) for the consolidation of eligible student loans.

(B) APPLICABILITY RULE.—Unless otherwise provided in this subsection, the agreements entered into under subparagraph (A) and the loans made under such agreements for the consolidation of eligible student loans under this subsection shall have the same terms, conditions, and benefits as all other agreements and loans made under this section.

(C) DEFINITION.—For the purpose of this subsection, the term “eligible student loans” means loans—

- (i) of the type described in subparagraphs (A), (B), and (C) of subsection (a)(4); and
- (ii) made under subpart I of part A of title VII of the Public Health Service Act.

(2) INTEREST RATE RULE.—

(A) IN GENERAL.—The portion of each consolidated loan that is attributable to an eligible student loan described in paragraph (1)(C)(ii) shall bear interest at a rate not to exceed the rate determined under subparagraph (B).

(B) DETERMINATION OF THE MAXIMUM INTEREST RATE.—For the 12-month period beginning after July 1, 1992, and for each 12-month period thereafter, beginning on July 1 and ending on June 30, the interest rate applicable under subparagraph (A) shall be equal to the average of the bond equivalent rates of the 91-day Treasury bills auctioned for the quarter prior to July 1, for each 12-month period for which the determination is made, plus 3 percent.

(C) PUBLICATION OF MAXIMUM INTEREST RATE.—The Secretary shall determine the applicable rate of interest under subparagraph (B) after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of such determination.

(3) SPECIAL RULES.—

(A) NO SPECIAL ALLOWANCE RULE.—No special allowance under section 438 shall be paid with respect to the portion of any consolidated loan under this subsection that is attributable to any loan described in paragraph (1)(C)(ii).

(B) NO INTEREST SUBSIDY RULE.—No interest subsidy under section 428(a) shall be paid on behalf of any eligible borrower for any portion of a consolidated loan under this subsection that is attributable to any loan described in paragraph (1)(C)(ii).

(C) ADDITIONAL RESERVE RULE.—Notwithstanding any other provision of this Act, additional reserves shall not be

required for any guaranty agency with respect to a loan made under this subsection.

(D) INSURANCE RULE.—Any insurance premium paid by the borrower under subpart I of part A of title VII of the Public Health Service Act with respect to a loan made under that subpart and consolidated under this subsection shall be retained by the student loan insurance account established under section 710 of the Public Health Service Act.

(4) REGULATIONS.—The Secretary is authorized to promulgate such regulations as may be necessary to facilitate carrying out the provisions of this subsection.

(e) TERMINATION OF AUTHORITY.—The authority to make loans under this section expires at the close of June 30, 2010. No loan may be made under this section for which the disbursement is on or after July 1, 2010. Nothing in this section shall be construed to authorize the Secretary to promulgate rules or regulations governing the terms or conditions of the agreements and certificates under subsection (b). Loans made under this section which are insured by the Secretary shall be considered to be new loans made to students for the purpose of section 424(a).

(f) INTEREST PAYMENT REBATE FEE.—

(1) IN GENERAL.—For any month beginning on or after October 1, 1993, each holder of a consolidation loan under this section for which the first disbursement was made on or after October 1, 1993, shall pay to the Secretary, on a monthly basis and in such manner as the Secretary shall prescribe, a rebate fee calculated on an annual basis equal to 1.05 percent of the principal plus accrued unpaid interest on such loan.

(2) SPECIAL RULE.—For consolidation loans based on applications received during the period from October 1, 1998 through January 31, 1999, inclusive, the rebate described in paragraph (1) shall be equal to 0.62 percent of the principal plus accrued unpaid interest on such loan.

(3) DEPOSIT.—The Secretary shall deposit all fees collected pursuant to this subsection into the insurance fund established in section 431.

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SEC. 428F. DEFAULT REDUCTION PROGRAM.

(a) OTHER REPAYMENT INCENTIVES.—

(1) SALE OR ASSIGNMENT OF LOAN.—

(A) IN GENERAL.—Each guaranty agency, upon securing 9 payments made within 20 days of the due date during 10 consecutive months of amounts owed on a loan for which the Secretary has made a payment under paragraph (1) of section 428(c), shall—

(i) if practicable, sell the loan to an eligible lender;

or

(ii) beginning July 1, 2014, assign the loan to the Secretary if the guaranty agency has been unable to sell the loan under clause (i).

(B) MONTHLY PAYMENTS.—Neither the guaranty agency nor the Secretary shall demand from a borrower as monthly payment amounts described in subparagraph (A) more

than is reasonable and affordable based on the borrower's total financial circumstances.

(C) CONSUMER REPORTING AGENCIES.—Upon the sale or assignment of the loan, the Secretary, guaranty agency or other holder of the loan shall request any consumer reporting agency to which the Secretary, guaranty agency or holder, as applicable, reported the default of the loan, to remove the record of the default from the borrower's credit history.

(D) DUTIES UPON SALE.—With respect to a loan sold under subparagraph (A)(i)—

(i) the guaranty agency—

(I) shall, in the case of a sale made on or after July 1, 2014, repay the Secretary 100 percent of the amount of the principal balance outstanding at the time of such sale, multiplied by the reinsurance percentage in effect when payment under the guaranty agreement was made with respect to the loan; and

(II) may, in the case of a sale made on or after July 1, 2014, in order to defray collection costs—

(aa) charge to the borrower an amount not to exceed 16 percent of the outstanding principal and interest at the time of the loan sale; and

(bb) retain such amount from the proceeds of the loan sale; and

(ii) the Secretary shall reinstate the Secretary's obligation to—

(I) reimburse the guaranty agency for the amount that the agency may, in the future, expend to discharge the guaranty agency's insurance obligation; and

(II) pay to the holder of such loan a special allowance pursuant to section 438.

(E) DUTIES UPON ASSIGNMENT.—With respect to a loan assigned under subparagraph (A)(ii)—

(i) the guaranty agency shall add to the principal and interest outstanding at the time of the assignment of such loan an amount equal to the amount described in subparagraph (D)(i)(II)(aa); and

(ii) the Secretary shall pay the guaranty agency, for deposit in the agency's Operating Fund established pursuant to section 422B, an amount equal to the amount added to the principal and interest outstanding at the time of the assignment in accordance with clause (i).

(F) ELIGIBLE LENDER LIMITATION.—A loan shall not be sold to an eligible lender under subparagraph (A)(i) if such lender has been found by the guaranty agency or the Secretary to have substantially failed to exercise the due diligence required of lenders under this part.

(G) DEFAULT DUE TO ERROR.—A loan that does not meet the requirements of subparagraph (A) may also be eligible for sale or assignment under this paragraph upon a deter-

mination that the loan was in default due to clerical or data processing error and would not, in the absence of such error, be in a delinquent status.

(2) USE OF PROCEEDS OF SALES.—Amounts received by the Secretary pursuant to the sale of such loans by a guaranty agency under paragraph (1)(A)(i) shall be deducted from the calculations of the amount of reimbursement for which the agency is eligible under paragraph (1)(D)(ii)(I) for the fiscal year in which the amount was received, notwithstanding the fact that the default occurred in a prior fiscal year.

(3) BORROWER ELIGIBILITY.—Any borrower whose loan is sold or assigned under paragraph (1)(A) shall not be precluded by section 484 from receiving additional loans or grants under this title (for which he or she is otherwise eligible) on the basis of defaulting on the loan prior to such loan sale or assignment.

(4) APPLICABILITY OF GENERAL LOAN CONDITIONS.—A loan that is sold or assigned under paragraph (1) shall, so long as the borrower continues to make scheduled repayments thereon, be subject to the same terms and conditions and qualify for the same benefits and privileges as other loans made under this part.

(5) LIMITATION.—A borrower may obtain the benefits available under this subsection with respect to rehabilitating a loan (whether by loan sale or assignment) only **【one time】** *two times* per loan.

(b) SATISFACTORY REPAYMENT ARRANGEMENTS TO RENEW ELIGIBILITY.—Each guaranty agency shall establish a program which allows a borrower with a defaulted loan or loans to renew eligibility for all title IV student financial assistance (regardless of whether the defaulted loan has been sold to an eligible lender or assigned to the Secretary) upon the borrower's payment of 6 consecutive monthly payments. The guaranty agency shall not demand from a borrower as a monthly payment amount under this subsection more than is reasonable and affordable based upon the borrower's total financial circumstances. A borrower may only obtain the benefit of this subsection with respect to renewed eligibility once.

(c) FINANCIAL AND ECONOMIC LITERACY.—Each program described in subsection (b) shall include making available financial and economic education materials for a borrower who has rehabilitated a loan.

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SEC. 428J. LOAN FORGIVENESS FOR TEACHERS.

(a) STATEMENT OF PURPOSE.—It is the purpose of this section to encourage individuals to enter and continue in the teaching profession.

(b) PROGRAM AUTHORIZED.—The Secretary shall carry out a program, through the holder of the loan, of assuming the obligation to repay a qualified loan amount for a loan made under section 428 or 428H, in accordance with subsection (c), for any new borrower on or after October 1, 1998, who—

(1) has been employed as a full-time teacher for 5 consecutive complete school years—

(A) in a school or location **【that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipi-**

ents who teach in such schools or locations] *described in section 420N(b)(1)(B)*; and

(B) if employed as an elementary school or secondary school teacher, is highly qualified as defined in section 9101 of the Elementary Secondary Education Act of 1965, or meets the requirements of subsection (g)(3); and

(2) is not in default on a loan for which the borrower seeks forgiveness.

(c) QUALIFIED LOANS AMOUNT.—

(1) IN GENERAL.—The Secretary shall repay not more than \$5,000 in the aggregate of the loan obligation on a loan made under section 428 or 428H that is outstanding after the completion of the fifth complete school year of teaching described in subsection (b)(1). No borrower may receive a reduction of loan obligations under both this section and section 460.

(2) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a loan made under section 428C may be a qualified loan amount for the purposes of this subsection only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H for a borrower who meets the requirements of subsection (b), as determined in accordance with regulations prescribed by the Secretary.

(3) ADDITIONAL AMOUNTS FOR TEACHERS IN MATHEMATICS, SCIENCE, OR SPECIAL EDUCATION.—Notwithstanding the amount specified in paragraph (1), the aggregate amount that the Secretary shall repay under this section shall be not more than \$17,500 in the case of—

(A) a secondary school teacher—

(i) who meets the requirements of subsection (b); and

(ii) whose qualifying employment for purposes of such subsection is teaching mathematics or science on a full-time basis; and

(B) an elementary school or secondary school teacher—

(i) who meets the requirements of subsection (b);

(ii) whose qualifying employment for purposes of such subsection is as a special education teacher whose primary responsibility is to provide special education to children with disabilities (as those terms are defined in section 602 of the Individuals with Disabilities Education Act); and

(iii) who, as certified by the chief administrative officer of the public or non-profit private elementary school or secondary school in which the borrower is employed, or, in the case of a teacher who is employed by an educational service agency, as certified by the chief administrative officer of such agency, is teaching children with disabilities that correspond with the borrower's special education training and has demonstrated knowledge and teaching skills in the content areas of the elementary school or secondary school curriculum that the borrower is teaching.

(d) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

(e) CONSTRUCTION.—Nothing in this section shall be construed to authorize any refunding of any repayment of a loan.

(f) LIST.—If the list of schools in which a teacher may perform service pursuant to subsection (b) is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

(1) CONTINUED ELIGIBILITY.—Any teacher who performs service in a school that—

(A) meets the requirements of subsection (b)(1)(A) in any year during such service; and

(B) in a subsequent year fails to meet the requirements of such subsection, may continue to teach in such school and shall be eligible for loan forgiveness pursuant to subsection (b).

(2) PREVENTION OF DOUBLE BENEFITS.—No borrower may, for the same service, receive a benefit under both this section and—

(A) section 428K;

(B) section 455(m); or

(C) subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

(3) PRIVATE SCHOOL TEACHERS.—An individual who is employed as a teacher in a private school and is exempt from State certification requirements (unless otherwise applicable under State law), may, in lieu of the requirement of subsection (b)(1)(B), have such employment treated as qualifying employment under this section if such individual is permitted to and does satisfy rigorous subject knowledge and skills tests by taking competency tests in the applicable grade levels and subject areas. For such purposes, the competency tests taken by such a private school teacher shall be recognized by 5 or more States for the purpose of fulfilling the highly qualified teacher requirements under section 9101 of the Elementary and Secondary Education Act of 1965, and the score achieved by such teacher on each test shall equal or exceed the average passing score of those 5 States.

(h) DEFINITION.—For purposes of this section, the term “year”, where applied to service as a teacher, means an academic year as defined by the Secretary.

SEC. 428K. LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEED.

(a) PROGRAM AUTHORIZED.—

(1) LOAN FORGIVENESS AUTHORIZED.—The Secretary shall forgive, in accordance with this section, the qualified loan amount described in subsection (c) of the student loan obligation of a borrower who—

(A) is employed full-time in an area of national need, as described in subsection (b); and

(B) is not in default on a loan for which the borrower seeks forgiveness.

(2) **METHOD OF LOAN FORGIVENESS.**—To provide loan forgiveness under paragraph (1), the Secretary is authorized to carry out a program—

(A) through the holder of the loan, to assume the obligation to repay a qualified loan amount for a loan made, insured, or guaranteed under this part (other than an excepted PLUS loan or an excepted consolidation loan (as such terms are defined in section 493C(a))); and

(B) to cancel a qualified loan amount for a loan made under part D of this title (other than an excepted PLUS loan or an excepted consolidation loan).

(3) **REGULATIONS.**—The Secretary is authorized to issue such regulations as may be necessary to carry out this section.

(b) **AREAS OF NATIONAL NEED.**—For purposes of this section, an individual is employed in an area of national need if the individual meets the requirements of one of the following:

(1) **EARLY CHILDHOOD EDUCATORS.**—The individual is employed full-time as an early childhood educator.

(2) **NURSES.**—The individual is employed full-time—

(A) as a nurse in a clinical setting; or

(B) as a member of the nursing faculty at an accredited school of nursing (as those terms are defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

(3) **FOREIGN LANGUAGE SPECIALISTS.**—The individual—

(A) has obtained a baccalaureate or advanced degree in a critical foreign language; and

(B) is employed full-time—

(i) in an elementary school or secondary school as a teacher of a critical foreign language;

(ii) in an agency of the United States Government in a position that regularly requires the use of such critical foreign language; or

(iii) in an institution of higher education as a faculty member or instructor teaching a critical foreign language.

(4) **LIBRARIANS.**—The individual is employed full-time as a librarian in—

(A) a public library that serves a geographic area within which the public schools have a combined average of 30 percent or more of the schools' total student enrollments composed of children meeting a measure of poverty under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965; or

(B) a school [that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school] *described in section 420N(b)(1)(B)*.

(5) **HIGHLY QUALIFIED TEACHERS SERVING STUDENTS WHO ARE LIMITED ENGLISH PROFICIENT, LOW-INCOME COMMUNITIES, AND UNDERREPRESENTED POPULATIONS.**—The individual—

(A) is highly qualified, as such term is defined in section 9101 of the Elementary and Secondary Education Act of 1965; and

(B) is employed full-time—

(i) as a teacher educating students who are limited English proficient;

(ii) as a teacher in a school **【that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school】** *described in section 420N(b)(1)(B)*;

(iii) as a teacher and is an individual from an under-represented population in the teaching profession, as determined by the Secretary; or

(iv) as a teacher in an educational service agency, as such term is defined in section 8101 of the Elementary and Secondary Education Act of 1965.

(6) CHILD WELFARE WORKERS.—The individual—

(A) has obtained a degree in social work or a related field with a focus on serving children and families; and

(B) is employed full-time in public or private child welfare services.

(7) SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS.—The individual—

(A) is employed full-time as a speech-language pathologist or audiologist in an eligible preschool program or a school **【that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school】** *described in section 420N(b)(1)(B)*; and

(B) has, at a minimum, a graduate degree in speech-language pathology, audiology, or communication sciences and disorders.

(8) SCHOOL COUNSELORS.—The individual—

(A) is employed full-time as a school counselor who has documented competence in counseling children and adolescents in a school setting and who—

(i) is licensed by the State or certified by an independent professional regulatory authority;

(ii) in the absence of such State licensure or certification, possesses national certification in school counseling or a specialty of counseling granted by an independent professional organization; or

(iii) holds a minimum of a master's degree in school counseling from a program accredited by the Council for Accreditation of Counseling and Related Educational Programs or the equivalent; and

(B) is so employed in a school **【that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school】** *described in section 420N(b)(1)(B)*.

(9) PUBLIC SECTOR EMPLOYEES.—The individual is employed full-time in—

(A) public safety (including as a first responder, firefighter, police officer, or other law enforcement or public safety officer);

(B) emergency management (including as an emergency medical technician);

(C) public health (including full-time professionals engaged in health care practitioner occupations and health care support occupations, as such terms are defined by the Bureau of Labor Statistics); or

- (D) public interest legal services (including prosecution, public defense, or legal advocacy in low-income communities at a nonprofit organization).
- (10) NUTRITION PROFESSIONALS.—The individual—
- (A) is a licensed, certified, or registered dietician who has completed a degree in a relevant field; and
 - (B) is employed full-time as a dietician with an agency of the special supplemental nutrition program for women, infants, and children under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).
- (11) MEDICAL SPECIALISTS.—The individual—
- (A) has received a degree from a medical school at an institution of higher education; and
 - (B) has been accepted to, or currently participates in, a full-time graduate medical education training program or fellowship (or both) to provide health care services (as recognized by the Accreditation Council for Graduate Medical Education) that—
 - (i) requires more than five years of total graduate medical training; and
 - (ii) has fewer United States medical school graduate applicants than the total number of positions available in such program or fellowship.
- (12) MENTAL HEALTH PROFESSIONALS.—The individual—
- (A) has not less than a master’s degree in social work, psychology, or psychiatry; and
 - (B) is employed full-time providing mental health services to children, adolescents, or veterans.
- (13) DENTISTS.—The individual—
- (A)(i) has received a degree from an accredited dental school (as accredited by the Commission on Dental Accreditation);
 - (ii) has completed residency training in pediatric dentistry, general dentistry, or dental public health; and
 - (iii) is employed full-time as a dentist; or
 - (B) is employed full-time as a member of the faculty at a program or school accredited by the Commission on Dental Accreditation.
- (14) STEM EMPLOYEES.—The individual is employed full-time in applied sciences, technology, engineering, or mathematics.
- (15) PHYSICAL THERAPISTS.—The individual—
- (A) is a physical therapist; and
 - (B) is employed full-time providing physical therapy services to children, adolescents, or veterans.
- (16) SUPERINTENDENTS, PRINCIPALS, AND OTHER ADMINISTRATORS.—The individual is employed full-time as a school superintendent, principal, or other administrator in a local educational agency, including in an educational service agency, in which 30 percent or more of the schools are schools **that qualify under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school** *described in section 420N(b)(1)(B)*.

(17) OCCUPATIONAL THERAPISTS.—The individual is an occupational therapist and is employed full-time providing occupational therapy services to children, adolescents, or veterans.

(18) ALLIED HEALTH PROFESSIONALS.—The individual is employed full-time as an allied health professional—

(A) in a Federal, State, local, or tribal public health agency; or

(B) in a setting where patients might require health care services, including acute care facilities, ambulatory care facilities, personal residences and other settings located in health professional shortage areas, medically underserved areas, or medically underserved populations, as recognized by the Secretary of Health and Human Services.

(c) QUALIFIED LOAN AMOUNT.—

(1) IN GENERAL.—Subject to paragraph (2), for each school, academic, or calendar year of full-time employment in an area of national need described in subsection (b) that a borrower completes on or after the date of enactment of the Higher Education Opportunity Act, the Secretary shall forgive not more than \$2,000 of the student loan obligation of the borrower that is outstanding after the completion of each such school, academic, or calendar year of employment, respectively.

(2) MAXIMUM AMOUNT.—The Secretary shall not forgive more than \$10,000 in the aggregate for any borrower under this section, and no borrower shall receive loan forgiveness under this section for more than five years of service.

(d) PRIORITY.—The Secretary shall grant loan forgiveness under this section on a first-come, first-served basis, and subject to the availability of appropriations.

(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to authorize the refunding of any repayment of a loan.

(f) INELIGIBILITY FOR DOUBLE BENEFITS.—No borrower may, for the same service, receive a reduction of loan obligations under both this section and section 428J, 428L, 455(m), or 460.

(g) DEFINITIONS.—In this section:

(1) ALLIED HEALTH PROFESSIONAL.—The term “allied health professional” means an allied health professional as defined in section 799B(5) of the Public Health Service Act (42 U.S.C. 295p(5)) who—

(A) has graduated and received an allied health professions degree or certificate from an institution of higher education; and

(B) is employed with a Federal, State, local or tribal public health agency, or in a setting where patients might require health care services, including acute care facilities, ambulatory care facilities, personal residences and other settings located in health professional shortage areas, medically underserved areas, or medically underserved populations, as recognized by the Secretary of Health and Human Services.

(2) AUDIOLOGIST.—The term “audiologist” means an individual who—

(A) has received, at a minimum, a graduate degree in audiology from an institution of higher education accredited—

- ited by an agency or association recognized by the Secretary pursuant to section 496(a); and
- (B)(i) provides audiology services under subsection (11)(2) of section 1861 of the Social Security Act (42 U.S.C. 1395x(11)(2)); or
- (ii) meets or exceeds the qualifications for a qualified audiologist under subsection (11)(4) of such section (42 U.S.C. 1395x(11)(4)).
- (3) **EARLY CHILDHOOD EDUCATOR.**—The term “early childhood educator” means an individual who—
- (A) works directly with children in an eligible preschool program or eligible early childhood education program in a low-income community;
- (B) is involved directly in the care, development, and education of infants, toddlers, or young children age five and under; and
- (C) has completed a baccalaureate or advanced degree in early childhood development or early childhood education, or in a field related to early childhood education.
- (4) **ELIGIBLE PRESCHOOL PROGRAM.**—The term “eligible preschool program” means a program that—
- (A) provides for the care, development, and education of infants, toddlers, or young children age five and under;
- (B) meets any applicable State or local government licensing, certification, approval, and registration requirements, and
- (C) is operated by—
- (i) a public or private school that is supported, sponsored, supervised, or administered by a local educational agency;
- (ii) a Head Start agency serving as a grantee designated under the Head Start Act (42 U.S.C. 9831 et seq.);
- (iii) a nonprofit or community based organization; or
- (iv) a child care program, including a home.
- (5) **ELIGIBLE EARLY CHILDHOOD EDUCATION PROGRAM.**—The term “eligible early childhood education program” means—
- (A) a family child care program, center-based child care program, State prekindergarten program, school program, or other out-of-home early childhood development care program, that—
- (i) is licensed or regulated by the State; and
- (ii) serves two or more unrelated children who are not old enough to attend kindergarten;
- (B) a Head Start Program carried out under the Head Start Act (42 U.S.C. 9831 et seq.); or
- (C) an Early Head Start Program carried out under section 645A of the Head Start Act (42 U.S.C. 9840a).
- (6) **LOW-INCOME COMMUNITY.**—The term “low-income community” means a school attendance area (as defined in section 1113(a)(2)(A) of the Elementary and Secondary Education Act of 1965)—
- (A) in which 70 percent of households earn less than 85 percent of the State median household income; or

(B) that includes a school [that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such a school] *described in section 420N(b)(1)(B)*.

(7) NURSE.—The term “nurse” means a nurse who meets all of the following:

(A) The nurse graduated from—

(i) an accredited school of nursing (as those terms are defined in section 801 of the Public Health Service Act (42 U.S.C. 296));

(ii) a nursing center; or

(iii) an academic health center that provides nurse training.

(B) The nurse holds a valid and unrestricted license to practice nursing in the State in which the nurse practices in a clinical setting.

(C) The nurse holds one or more of the following:

(i) A graduate degree in nursing, or an equivalent degree.

(ii) A nursing degree from a collegiate school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

(iii) A nursing degree from an associate degree school of nursing (as defined in such section).

(iv) A nursing degree from a diploma school of nursing (as defined in such section).

(8) OCCUPATIONAL THERAPIST.—The term “occupational therapist” means an individual who—

(A) has received, at a minimum, a baccalaureate degree in occupational therapy from an institution of higher education accredited by an agency or association recognized by the Secretary pursuant to section 496(a); and

(B)(i) provides occupational therapy services under section 1861(g) of the Social Security Act (42 U.S.C. 1395x(g)); or

(ii) meets or exceeds the qualifications for a qualified occupational therapist, as determined by State law.

(9) PHYSICAL THERAPIST.—The term “physical therapist” means an individual who—

(A) has received, at a minimum, a graduate degree in physical therapy from an institution of higher education accredited by an agency or association recognized by the Secretary pursuant to section 496(a); and

(B)(i) provides physical therapy services under section 1861(p) of the Social Security Act (42 U.S.C. 1395x(p)); or

(ii) meets or exceeds the qualifications for a qualified physical therapist, as determined by State law.

(10) SPEECH-LANGUAGE PATHOLOGIST.—The term “speech-language pathologist” means a speech-language pathologist who—

(A) has received, at a minimum, a graduate degree in speech-language pathology or communication sciences and disorders from an institution of higher education accredited by an agency or association recognized by the Secretary pursuant to section 496(a); and

(B) provides speech-language pathology services under section 1861(l)(1) of the Social Security Act (42 U.S.C. 1395x(l)(1)), or meets or exceeds the qualifications for a qualified speech-language pathologist under subsection (l)(4) of such section (42 U.S.C. 1395x(l)(4)).

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years to provide loan forgiveness in accordance with this section.

SEC. 428L. LOAN REPAYMENT FOR CIVIL LEGAL ASSISTANCE ATTORNEYS.

(a) PURPOSE.—The purpose of this section is to encourage qualified individuals to enter and continue employment as civil legal assistance attorneys.

(b) DEFINITIONS.—In this section:

(1) CIVIL LEGAL ASSISTANCE ATTORNEY.—The term “civil legal assistance attorney” means an attorney who—

(A) is a full-time employee of—

(i) a nonprofit organization that provides legal assistance with respect to civil matters to low-income individuals without a fee; or

(ii) a protection and advocacy system or client assistance program that provides legal assistance with respect to civil matters and receives funding under—

(I) subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.);

(II) section 112 or 509 of the Rehabilitation Act of 1973 (29 U.S.C. 732, 794e);

(III) part A of title I of the Protection and Advocacy for Individuals with Mental Illness Act (42 U.S.C. 10801 et seq.);

(IV) section 5 of the Assistive Technology Act of 1998 (29 U.S.C. 3004);

(V) section 1150 of the Social Security Act (42 U.S.C. 1320b–21);

(VI) section 1253 of the Public Health Service Act (42 U.S.C. 300d–53); or

(VII) section 291 of the Help America Vote Act of 2002 (42 U.S.C. 15461);

(B) as such employee, provides civil legal assistance as described in subparagraph (A) on a full-time basis; and

(C) is continually licensed to practice law.

(2) STUDENT LOAN.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term “student loan” means—

(i) subject to clause (ii), a loan made, insured, or guaranteed under this part, part D, or part E, *as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act*; and

(ii) a loan made under section 428C or 455(g), to the extent that such loan was used to repay—

(I) a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct PLUS Loan;

(II) a loan made under section 428, 428B, or 428H; or

(III) a loan made under part E, *as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act.*

(B) EXCLUSION OF PARENT PLUS LOANS.—The term “student loan” does not include any of the following loans:

(i) A loan made to the parents of a dependent student under section 428B.

(ii) A Federal Direct PLUS Loan made to the parents of a dependent student.

(iii) A loan made under section 428C or 455(g), to the extent that such loan was used to repay—

(I) a loan made to the parents of a dependent student under section 428B; or

(II) a Federal Direct PLUS Loan made to the parents of a dependent student.

(c) PROGRAM AUTHORIZED.—From amounts appropriated under subsection (i) for a fiscal year, the Secretary shall carry out a program of assuming the obligation to repay a student loan, by direct payments on behalf of a borrower to the holder of such loan, in accordance with subsection (d), for any borrower who—

(1) is employed as a civil legal assistance attorney; and

(2) is not in default on a loan for which the borrower seeks repayment.

(d) TERMS OF AGREEMENT.—

(1) IN GENERAL.—To be eligible to receive repayment benefits under subsection (c), a borrower shall enter into a written agreement with the Secretary that specifies that—

(A) the borrower will remain employed as a civil legal assistance attorney for a required period of service of not less than three years, unless involuntarily separated from that employment;

(B) if the borrower is involuntarily separated from employment on account of misconduct, or voluntarily separates from employment, before the end of the period specified in the agreement, the borrower will repay the Secretary the amount of any benefits received by such employee under this agreement;

(C) if the borrower is required to repay an amount to the Secretary under subparagraph (B) and fails to repay such amount, a sum equal to that amount shall be recoverable by the Federal Government from the employee by such methods as are provided by law for the recovery of amounts owed to the Federal Government;

(D) the Secretary may waive, in whole or in part, a right of recovery under this subsection if it is shown that recovery would be contrary to the public interest; and

(E) the Secretary shall make student loan payments under this section for the period of the agreement, subject to the availability of appropriations.

(2) REPAYMENTS.—

(A) IN GENERAL.—Any amount repaid by, or recovered from, an individual under this subsection shall be credited to the appropriation account from which the amount involved was originally paid.

(B) MERGER.—Any amount credited under subparagraph (A) shall be merged with other sums in such account and shall be available for the same purposes and period, and subject to the same limitations, if any, as the sums with which the amount was merged.

(3) LIMITATIONS.—

(A) STUDENT LOAN PAYMENT AMOUNT.—Student loan repayments made by the Secretary under this section shall be made subject to such terms, limitations, or conditions as may be mutually agreed upon by the borrower and the Secretary in an agreement under paragraph (1), except that the amount paid by the Secretary under this section shall not exceed—

- (i) \$6,000 for any borrower in any calendar year; or
- (ii) an aggregate total of \$40,000 in the case of any borrower.

(B) BEGINNING OF PAYMENTS.—Nothing in this section shall authorize the Secretary to pay any amount to reimburse a borrower for any repayments made by such borrower prior to the date on which the Secretary entered into an agreement with the borrower under this subsection.

(e) ADDITIONAL AGREEMENTS.—

(1) IN GENERAL.—On completion of the required period of service under an agreement under subsection (d), the borrower and the Secretary may, subject to paragraph (2), enter into an additional agreement in accordance with subsection (d).

(2) TERM.—An agreement entered into under paragraph (1) may require the borrower to remain employed as a civil legal assistance attorney for less than three years.

(f) AWARD BASIS; PRIORITY.—

(1) AWARD BASIS.—Subject to paragraph (2), the Secretary shall provide repayment benefits under this section on a first-come, first-served basis, and subject to the availability of appropriations.

(2) PRIORITY.—The Secretary shall give priority in providing repayment benefits under this section in any fiscal year to a borrower who—

(A) has practiced law for five years or less and, for not less than 90 percent of the time in such practice, has served as a civil legal assistance attorney;

(B) received repayment benefits under this section during the preceding fiscal year; and

(C) has completed less than three years of the first required period of service specified for the borrower in an agreement entered into under subsection (d).

(g) INELIGIBILITY FOR DOUBLE BENEFITS.—No borrower may, for the same service, receive a reduction of loan obligations under both this section and section 428K or 455(m).

(h) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out this section.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$10,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years.

* * * * *

SEC. 430. DEFAULT OF STUDENT UNDER FEDERAL LOAN INSURANCE PROGRAM.

(a) NOTICE TO SECRETARY AND PAYMENT OF LOSS.—Upon default by the student borrower on any loan covered by Federal loan insurance pursuant to this part, and prior to the commencement of suit or other enforcement proceedings upon security for that loan, the insurance beneficiary shall promptly notify the Secretary, and the Secretary shall if requested (at that time or after further collection efforts) by the beneficiary, or may on the Secretary's own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. The "amount of the loss" on any loan shall, for the purposes of this subsection and subsection (b), be deemed to be an amount equal to the unpaid balance of the principal amount and accrued interest, including interest accruing from the date of submission of a valid default claim (as determined by the Secretary) to the date on which payment is authorized by the Secretary, reduced to the extent required by section 425(b). Such beneficiary shall be required to meet the standards of due diligence in the collection of the loan and shall be required to submit proof that the institution was contacted and other reasonable attempts were made to locate the borrower (when the location of the borrower is unknown) and proof that contact was made with the borrower (when the location is known). The Secretary shall make the determination required to carry out the provisions of this section not later than 90 days after the notification by the insurance beneficiary and shall make payment in full on the amount of the beneficiary's loss pending completion of the due diligence investigation.

(b) EFFECT OF PAYMENT OF LOSS.—Upon payment of the amount of the loss pursuant to subsection (a), the United States shall be subrogated for all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Secretary on a loan after deduction of the cost of that recovery (including reasonable administrative costs and collection costs, to the extent set forth in regulations issued by the Secretary) exceeds the amount of the loss, the excess shall be paid over to the insured. The Secretary may, in attempting to make recovery on such loans, contract with private business concerns, State student loan insurance agencies, or State guaranty agencies, for payment for services rendered by such concerns or agencies in assisting the Secretary in making such recovery. Any contract under this subsection entered into by the Secretary shall provide that attempts to make recovery on such loans shall be fair and reasonable, and do not involve harassment, intimidation, false or misleading representations, or unnecessary communications concerning the existence of any such loan to persons other than the student borrower.

(c) **FORBEARANCE NOT PRECLUDED.**—Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Secretary, or to preclude forbearance by the Secretary in the enforcement of the insured obligation after payment on that insurance. Any forbearance which is approved by the Secretary under this subsection with respect to the repayment of a loan, including a forbearance during default, shall not be considered as indicating that a holder of a federally insured loan has failed to exercise reasonable care and due diligence in the collection of the loan.

(d) **CARE AND DILIGENCE REQUIRED OF HOLDERS.**—Nothing in this section or in this part shall be construed to excuse the holder of a federally insured loan from exercising reasonable care and diligence in the making and collection of loans under the provisions of this part. If the Secretary, after a reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence or to make the reports and statements required under section 428(a)(4) and section 429(a)(3), or to pay the required Federal loan insurance premiums, the Secretary shall disqualify that lender for further Federal insurance on loans granted pursuant to this part until the Secretary is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

(e) **DEFAULT RATE OF LENDERS, HOLDERS, AND GUARANTY AGENCIES.**—

(1) **IN GENERAL.**—The Secretary shall annually publish a list indicating the cohort default rate (determined in accordance with section 435(m)) for each originating lender, subsequent holder, and guaranty agency participating in the program assisted under this part and an average cohort default rate for all institutions of higher education within each State.

(2) **REGULATIONS.**—The Secretary shall prescribe regulations designed to prevent an institution from evading the application to that institution of a cohort default rate through the use of such measures as branching, consolidation, change of ownership or control, or any similar device.

(3) **RATE ESTABLISHMENT AND CORRECTION.**—The Secretary shall establish a cohort default rate for lenders, holders, and guaranty agencies (determined consistent with section 435(m)), except that the rate for lenders, holders, and guaranty agencies shall not reflect any loans issued in accordance with section 428(j). The Secretary shall allow institutions, lenders, holders, and guaranty agencies the opportunity to correct such cohort default rate information.

(4) **SUNSET.**—*The Secretary shall not be subject to the requirements of this subsection after the transition period described in section 481B(e)(3).*

* * * * *

SEC. 433. STUDENT LOAN INFORMATION BY ELIGIBLE LENDERS.

(a) **REQUIRED DISCLOSURE BEFORE DISBURSEMENT.**—Each eligible lender, at or prior to the time such lender disburses a loan that is

insured or guaranteed under this part (other than a loan made under section 428C), shall provide thorough and accurate loan information on such loan to the borrower in simple and understandable terms. **Any disclosure required by this subsection may be made by an eligible lender by written or electronic means, including as part of the application material provided to the borrower, as part of the promissory note evidencing the loan, or on a separate written form provided to the borrower.** *Any disclosure required by this subsection shall be made on the Plain Language Disclosure Form developed by the Secretary under section 455(p).* Each lender shall provide to each borrower a telephone number, and may provide an electronic address, through which additional loan information can be obtained. The disclosure shall include—

(1) a statement prominently and clearly displayed and in bold print that the borrower is receiving a loan that must be repaid;

(2) the name of the eligible lender, and the address to which communications and payments should be sent;

(3) the principal amount of the loan;

(4) the amount of any charges, such as **the origination fee and** *finance charges, the origination fee, and Federal default fee*, and whether those fees will be—

(A) collected by the lender at or prior to the disbursement of the loan;

(B) deducted from the proceeds of the loan;

(C) paid separately by the borrower; or

(D) paid by the lender;

(5) the stated interest rate on the loan;

(6) *the annual percentage rate of the loan, as calculated using the standard 10-year repayment term, and how interest accrues and is capitalized during periods when the interest is not paid by the borrower;*

[(6)] (7) for loans made under section 428H or to a student borrower under section 428B, an explanation—

(A) that the borrower has the option to pay the interest that accrues on the loan while the borrower is a student at an institution of higher education; and

(B) if the borrower does not pay such interest while attending an institution, when and how often interest on the loan will be capitalized;

[(7)] (8) for loans made to a parent borrower on behalf of a student under section 428B, an explanation—

(A) that the parent has the option to defer payment on the loan while the student is enrolled on at least a half-time basis in an institution of higher education;

(B) if the parent does not pay the interest on the loan while the student is enrolled in an institution, when and how often interest on the loan will be capitalized; and

(C) that the parent may be eligible for a deferment on the loan if the parent is enrolled on at least a half-time basis in an institution of higher education;

[(8)] (9) the yearly and cumulative maximum amounts that may be borrowed;

[(9)] (10) a statement of the total cumulative balance, including the loan being disbursed, owed by the borrower to that

lender, and an estimate of the projected monthly payment, given such cumulative balance;

[(10)] (11) an explanation of when repayment of the loan will be required and when the borrower will be obligated to pay interest that accrues on the loan;

[(11)] (12) a description of the types of repayment plans that are available for the loan;

[(12)] (13) a statement as to the minimum and maximum repayment terms which the lender may impose, and the minimum annual payment required by law;

[(13)] (14) an explanation of any special options the borrower may have for loan consolidation or other refinancing of the loan;

[(14)] (15) a statement that the borrower has the right to prepay all or part of the loan, at any time, without penalty;

[(15)] (16) a statement summarizing circumstances in which repayment of the loan or interest that accrues on the loan may be deferred;

[(16)] (17) a statement summarizing the circumstances in which a borrower may obtain forbearance on the loan;

[(17)] (18) a description of the options available for forgiveness of the loan, and the requirements to obtain loan forgiveness;

[(18)] (19) a definition of default and the consequences to the borrower if the borrower defaults, including a statement that the default will be reported to a consumer reporting agency; and

[(19)] (20) an explanation of any cost the borrower may incur during repayment or in the collection of the loan, including fees that the borrower may be charged, such as late payment fees and collection costs.

(b) REQUIRED DISCLOSURE BEFORE REPAYMENT.—Each eligible lender shall, at or prior to the start of the repayment period on a loan made, insured, or guaranteed under section 428, 428B, or 428H, disclose to the borrower by written or electronic means the information required under this subsection in simple and understandable terms. Each eligible lender shall provide to each borrower a telephone number, and may provide an electronic address, through which additional loan information can be obtained. The disclosure required by this subsection shall be made not less than 30 days nor more than 150 days before the first payment on the loan is due from the borrower. The disclosure shall include—

(1) the name of the eligible lender or loan servicer, and the address to which communications and payments should be sent;

(2) the scheduled date upon which the repayment period is to begin or the deferment period under section 428B(d)(1) is to end, as applicable;

(3) the estimated balance owed by the borrower on the loan or loans covered by the disclosure (including, if applicable, the estimated amount of interest to be capitalized) as of the scheduled date on which the repayment period is to begin or the deferment period under 428B(d)(1) is to end, as applicable;

(4) the stated interest rate on the loan or loans, or the combined interest rate of loans with different stated interest rates;

- (5) information on loan repayment benefits offered for the loan or loans, including—
- (A) whether the lender offers any benefits that are contingent on the repayment behavior of the borrower, such as—
 - (i) a reduction in interest rate if the borrower repays the loan by automatic payroll or checking account deduction;
 - (ii) a reduction in interest rate if the borrower makes a specified number of on-time payments; and
 - (iii) other loan repayment benefits for which the borrower could be eligible that would reduce the amount of repayment or the length of the repayment period;
 - (B) if the lender provides a loan repayment benefit—
 - (i) any limitations on such benefit;
 - (ii) explicit information on the reasons a borrower may lose eligibility for such benefit;
 - (iii) for a loan repayment benefit that reduces the borrower's interest rate—
 - (I) examples of the impact the interest rate reduction would have on the length of the borrower's repayment period and the amount of repayment; and
 - (II) upon the request of the borrower, the effect the reduction in interest rate would have with respect to the borrower's payoff amount and time for repayment; and
 - (iv) whether and how the borrower can regain eligibility for a benefit if a borrower loses a benefit;
- (6) a description of all the repayment plans that are available to the borrower and a statement that the borrower may change from one plan to another during the period of repayment;
- (7) the repayment schedule for all loans covered by the disclosure, including—
- (A) the date the first installment is due; and
 - (B) the number, amount, and frequency of required payments, which shall be based on a standard repayment plan or, in the case of a borrower who has selected another repayment plan, on the repayment plan selected by the borrower;
- (8) an explanation of any special options the borrower may have for loan consolidation or other refinancing of the loan and of the availability and terms of such other options;
- (9) except as provided in subsection (d)—
- (A) the projected total of interest charges which the borrower will pay on the loan or loans, assuming that the borrower makes payments exactly in accordance with the repayment schedule; and
 - (B) if the borrower has already paid interest on the loan or loans, the amount of interest paid;
- (10) the nature of any fees which may accrue or be charged to the borrower during the repayment period;

(11) a statement that the borrower has the right to prepay all or part of the loan or loans covered by the disclosure at any time without penalty;

(12) a description of the options by which the borrower may avoid or be removed from default, including any relevant fees associated with such options; and

(13) additional resources, including nonprofit organizations, advocates, and counselors (including the Student Loan Ombudsman of the Department) of which the lender is aware, where borrowers may receive advice and assistance on loan repayment.

(c) SEPARATE NOTIFICATION.—Each eligible lender shall, at the time such lender notifies a borrower of approval of a loan which is insured or guaranteed under this part, provide the borrower with a separate notification which summarizes, in simple and understandable terms, the rights and responsibilities of the borrower with respect to the loan, including a statement of the consequences of defaulting on the loan and a statement that each borrower who defaults will be reported to a consumer reporting agency. The requirement of this subsection shall be in addition to the information required by subsection (a) of this section.

(d) SPECIAL DISCLOSURE RULES ON PLUS LOANS, AND UNSUBSIDIZED LOANS.—Loans made under sections 428B and 428H shall not be subject to the disclosure of projected monthly payment amounts required under subsection (b)(7) if the lender, in lieu of such disclosure, provides the borrower with sample projections of monthly repayment amounts, assuming different levels of borrowing and interest accruals resulting from capitalization of interest while the borrower, or the student on whose behalf the loan is made, is in school, in simple and understandable terms. Such sample projections shall disclose the cost to the borrower of—

(1) capitalizing the interest; and

(2) paying the interest as the interest accrues.

(e) REQUIRED DISCLOSURES DURING REPAYMENT.—

(1) PERTINENT INFORMATION ABOUT A LOAN PROVIDED ON A PERIODIC BASIS.—Each eligible lender shall provide the borrower of a loan made, insured, or guaranteed under this part with a bill or statement (as applicable) that corresponds to each payment installment time period in which a payment is due and that includes, in simple and understandable terms—

(A) the original principal amount of the borrower's loan;

(B) the borrower's current balance, as of the time of the bill or statement, as applicable;

(C) the interest rate on such loan;

(D) the total amount the borrower has paid in interest on the loan;

(E) the aggregate amount the borrower has paid for the loan, including the amount the borrower has paid in interest, the amount the borrower has paid in fees, and the amount the borrower has paid against the balance;

(F) a description of each fee the borrower has been charged for the most recently preceding installment time period;

(G) the date by which the borrower needs to make a payment in order to avoid additional fees and the amount of such payment and the amount of such fees;

(H) the lender's or loan servicer's address and toll-free phone number for payment and billing error purposes; and

(I) a reminder that the borrower has the option to change repayment plans, a list of the names of the repayment plans available to the borrower, a link to the appropriate page of the Department's website to obtain a more detailed description of the repayment plans, and directions for the borrower to request a change in repayment plan.

(2) INFORMATION PROVIDED TO A BORROWER HAVING DIFFICULTY MAKING PAYMENTS.—Each eligible lender shall provide to a borrower who has notified the lender that the borrower is having difficulty making payments on a loan made, insured, or guaranteed under this part with the following information in simple and understandable terms:

(A) A description of the repayment plans available to the borrower, including how the borrower should request a change in repayment plan.

(B) A description of the requirements for obtaining forbearance on a loan, including expected costs associated with forbearance.

(C) A description of the options available to the borrower to avoid defaulting on the loan, and any relevant fees or costs associated with such options.

(3) REQUIRED DISCLOSURES DURING DELINQUENCY.—Each eligible lender shall provide to a borrower who is 60 days delinquent in making payments on a loan made, insured, or guaranteed under this part with a notice, in simple and understandable terms, of the following:

(A) The date on which the loan will default if no payment is made.

(B) The minimum payment the borrower must make to avoid default.

(C) A description of the options available to the borrower to avoid default, and any relevant fees or costs associated with such options, including a description of deferment and forbearance and the requirements to obtain each.

(D) Discharge options to which the borrower may be entitled.

(E) Additional resources, including nonprofit organizations, advocates, and counselors (including the Student Loan Ombudsman of the Department), of which the lender is aware, where the borrower can receive advice and assistance on loan repayment.

(f) COST OF DISCLOSURE AND CONSEQUENCES OF NONDISCLOSURE.—

(1) NO COST TO BORROWERS.—The information required under this section shall be available without cost to the borrower.

(2) CONSEQUENCES OF NONDISCLOSURE.—The failure of an eligible lender to provide information as required by this section shall not—

(A) relieve a borrower of the obligation to repay a loan in accordance with the loan's terms; or

(B) provide a basis for a claim for civil damages.

(3) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed as subjecting the lender to the Truth in Lending Act with regard to loans made under this part.

(4) **ACTIONS BY THE SECRETARY.**—The Secretary may limit, suspend, or terminate the continued participation of an eligible lender in making loans under this part for failure by that lender to comply with this section.

* * * * *

SEC. 435. DEFINITIONS FOR STUDENT LOAN INSURANCE PROGRAM.

As used in this part:

(a) **ELIGIBLE INSTITUTION.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the term “eligible institution” means an institution of higher education, as defined in [section 102] *sections 101 and 102*, except that, for the purposes of sections 427(a)(2)(C)(i) and 428(b)(1)(M)(i), an eligible institution includes any institution that is within this definition without regard to whether such institution is participating in any program under this title and includes any institution ineligible for participation in any program under this part pursuant to paragraph (2) of this subsection.

(2) **INELIGIBILITY BASED ON HIGH DEFAULT RATES.**—(A) An institution whose cohort default rate is equal to or greater than the threshold percentage specified in subparagraph (B) for each of the three most recent fiscal years for which data are available shall not be eligible to participate in a program under this part for the fiscal year for which the determination is made and for the two succeeding fiscal years, unless, within 30 days of receiving notification from the Secretary of the loss of eligibility under this paragraph, the institution appeals the loss of its eligibility to the Secretary. The Secretary shall issue a decision on any such appeal within 45 days after its submission. Such decision may permit the institution to continue to participate in a program under this part if—

(i) the institution demonstrates to the satisfaction of the Secretary that the Secretary's calculation of its cohort default rate is not accurate, and that recalculation would reduce its cohort default rate for any of the three fiscal years below the threshold percentage specified in subparagraph (B);

(ii) there are exceptional mitigating circumstances within the meaning of paragraph (5); or

(iii) there are, in the judgment of the Secretary, other exceptional mitigating circumstances that would make the application of this paragraph inequitable.

If an institution continues to participate in a program under this part, and the institution's appeal of the loss of eligibility is unsuccessful, the institution shall be required to pay to the Secretary an amount equal to the amount of interest, special allowance, reinsurance, and any related payments made by the Secretary (or which the Secretary is obligated to make) with

respect to loans made under this part to students attending, or planning to attend, that institution during the pendency of such appeal. During such appeal, the Secretary may permit the institution to continue to participate in a program under this part.

(B) For purposes of determinations under subparagraph (A), the threshold percentage is—

- (i) 35 percent for fiscal year 1991 and 1992;
- (ii) 30 percent for fiscal year 1993;
- (iii) 25 percent for fiscal year 1994 through fiscal year 2011; and
- (iv) 30 percent for fiscal year 2012 and any succeeding fiscal year.

(C) Until July 1, 1999, this paragraph shall not apply to any institution that is—

- (i) a part B institution within the meaning of section 322(2) of this Act;
- (ii) a tribally controlled college or university, as defined in section 2(a)(4) of the Tribally Controlled Colleges and Universities Assistance Act of 1978; or
- (iii) a Navajo Community College under the Navajo Community College Act.

(D) Notwithstanding the first sentence of subparagraph (A), the Secretary shall restore the eligibility to participate in a program under subpart 1 of part A, part B, or part D of an institution that did not appeal its loss of eligibility within 30 days of receiving notification if the Secretary determines, on a case-by-case basis, that the institution's failure to appeal was substantially justified under the circumstances, and that—

- (i) the institution made a timely request that the appropriate guaranty agency correct errors in the draft data used to calculate the institution's cohort default rate;
- (ii) the guaranty agency did not correct the erroneous data in a timely fashion; and
- (iii) the institution would have been eligible if the erroneous data had been corrected by the guaranty agency.

(3) APPEALS FOR REGULATORY RELIEF.—An institution whose cohort default rate, calculated in accordance with subsection (m), is equal to or greater than the threshold percentage specified in paragraph (2)(B)(iv) for any two consecutive fiscal years may, not later than 30 days after the date the institution receives notification from the Secretary, file an appeal demonstrating exceptional mitigating circumstances, as defined in paragraph (5). The Secretary shall issue a decision on any such appeal not later than 45 days after the date of submission of the appeal. If the Secretary determines that the institution demonstrates exceptional mitigating circumstances, the Secretary may not subject the institution to provisional certification based solely on the institution's cohort default rate.

(4) APPEALS BASED UPON ALLEGATIONS OF IMPROPER LOAN SERVICING.—An institution that—

- (A) is subject to loss of eligibility for the Federal Family Education Loan Program pursuant to paragraph (2)(A) of this subsection;

(B) is subject to loss of eligibility for the Federal Supplemental Loans for Students pursuant to section 428A(a)(2); or

(C) is an institution whose cohort default rate equals or exceeds 20 percent for the most recent year for which data are available;

may include in its appeal of such loss or rate a defense based on improper loan servicing (in addition to other defenses). In any such appeal, the Secretary shall take whatever steps are necessary to ensure that such institution has access for a reasonable period of time, not to exceed 30 days, to a representative sample (as determined by the Secretary) of the relevant loan servicing and collection records used by a guaranty agency in determining whether to pay a claim on a defaulted loan or by the Department in determining an institution's default rate in the loan program under part D of this title. The Secretary shall reduce the institution's cohort default rate to reflect the percentage of defaulted loans in the representative sample that are required to be excluded pursuant to subsection (m)(1)(B).

(5) DEFINITION OF MITIGATING CIRCUMSTANCES.—(A) For purposes of this subsection, an institution of higher education shall be treated as having exceptional mitigating circumstances that make application of paragraph (2) inequitable, and that provide for regulatory relief under paragraph (3), if such institution, in the opinion of an independent auditor, meets the following criteria:

(i) For a 12-month period that ended during the 6 months immediately preceding the fiscal year for which the cohort of borrowers used to calculate the institution's cohort default rate is determined, at least two-thirds of the students enrolled on at least a half-time basis at the institution—

(I) are eligible to receive a Federal Pell Grant award that is at least equal to one-half the Federal Pell Grant amount, determined under section 401(b)(2)(A), for which a student would be eligible based on the student's enrollment status; or

(II) have an adjusted gross income that when added with the adjusted gross income of the student's parents (unless the student is an independent student), of less than the poverty level, as determined by the Department of Health and Human Services.

(ii) In the case of an institution of higher education that offers an associate, baccalaureate, graduate or professional degree, 70 percent or more of the institution's regular students who were initially enrolled on a full-time basis and were scheduled to complete their programs during the same 12-month period described in clause (i)—

(I) completed the educational programs in which the students were enrolled;

(II) transferred from the institution to a higher level educational program;

(III) at the end of the 12-month period, remained enrolled and making satisfactory progress toward completion of the student's educational programs; or

(IV) entered active duty in the Armed Forces of the United States.

(iii)(I) In the case of an institution of higher education that does not award a degree described in clause (ii), had a placement rate of 44 percent or more with respect to the institution's former regular students who—

(aa) remained in the program beyond the point the students would have received a 100 percent tuition refund from the institution;

(bb) were initially enrolled on at least a half-time basis; and

(cc) were originally scheduled, at the time of enrollment, to complete their educational programs during the same 12-month period described in clause (i).

(II) The placement rate shall not include students who are still enrolled and making satisfactory progress in the educational programs in which the students were originally enrolled on the date following 12 months after the date of the student's last date of attendance at the institution.

(III) The placement rate is calculated by determining the percentage of all those former regular students who—

(aa) are employed, in an occupation for which the institution provided training, on the date following 12 months after the date of their last day of attendance at the institution;

(bb) were employed, in an occupation for which the institution provided training, for at least 13 weeks before the date following 12 months after the date of their last day of attendance at the institution; or

(cc) entered active duty in the Armed Forces of the United States.

(IV) The placement rate shall not include as placements a student or former student for whom the institution is the employer.

(B) For purposes of determining a rate of completion and a placement rate under this paragraph, a student is originally scheduled, at the time of enrollment, to complete the educational program on the date when the student will have been enrolled in the program for the amount of time normally required to complete the program. The amount of time normally required to complete the program for a student who is initially enrolled full-time is the period of time specified in the institution's enrollment contract, catalog, or other materials, for completion of the program by a full-time student. For a student who is initially enrolled less than full-time, the period is the amount of time it would take the student to complete the program if the student remained enrolled at that level of enrollment throughout the program.

(6) REDUCTION OF DEFAULT RATES AT CERTAIN MINORITY INSTITUTIONS.—

(A) BENEFICIARIES OF EXCEPTION REQUIRED TO ESTABLISH MANAGEMENT PLAN.—After July 1, 1999, any institution that has a cohort default rate that equals or exceeds 25 percent for each of the three most recent fiscal years for

which data are available and that relies on the exception in subparagraph (B) to continue to be an eligible institution shall—

(i) submit to the Secretary a default management plan which the Secretary, in the Secretary's discretion, after consideration of the institution's history, resources, dollars in default, and targets for default reduction, determines is acceptable and provides reasonable assurance that the institution will, by July 1, 2004, have a cohort default rate that is less than 25 percent;

(ii) engage an independent third party (which may be paid with funds received under section 317 or part B of title III) to provide technical assistance in implementing such default management plan; and

(iii) provide to the Secretary, on an annual basis or at such other intervals as the Secretary may require, evidence of cohort default rate improvement and successful implementation of such default management plan.

(B) DISCRETIONARY ELIGIBILITY CONDITIONED ON IMPROVEMENT.—Notwithstanding the expiration of the exception in paragraph (2)(C), the Secretary may, in the Secretary's discretion, continue to treat an institution described in subparagraph (A) of this paragraph as an eligible institution for each of the 1-year periods beginning on July 1 of 1999 through 2003, only if the institution submits by the beginning of such period evidence satisfactory to the Secretary that—

(i) such institution has complied and is continuing to comply with the requirements of subparagraph (A); and

(ii) such institution has made substantial improvement, during each of the preceding 1-year periods, in the institution's cohort default rate.

(7) DEFAULT PREVENTION AND ASSESSMENT OF ELIGIBILITY BASED ON HIGH DEFAULT RATES.—

(A) FIRST YEAR.—

(i) IN GENERAL.—An institution whose cohort default rate is equal to or greater than the threshold percentage specified in paragraph (2)(B)(iv) in any fiscal year shall establish a default prevention task force to prepare a plan to—

(I) identify the factors causing the institution's cohort default rate to exceed such threshold;

(II) establish measurable objectives and the steps to be taken to improve the institution's cohort default rate; and

(III) specify actions that the institution can take to improve student loan repayment, including appropriate counseling regarding loan repayment options.

(ii) TECHNICAL ASSISTANCE.—Each institution subject to this subparagraph shall submit the plan under clause (i) to the Secretary, who shall review the plan

and offer technical assistance to the institution to promote improved student loan repayment.

(B) SECOND CONSECUTIVE YEAR.—

(i) IN GENERAL.—An institution whose cohort default rate is equal to or greater than the threshold percentage specified in paragraph (2)(B)(iv) for two consecutive fiscal years, shall require the institution's default prevention task force established under subparagraph (A) to review and revise the plan required under such subparagraph, and shall submit such revised plan to the Secretary.

(ii) REVIEW BY THE SECRETARY.—The Secretary shall review each revised plan submitted in accordance with this subparagraph, and may direct that such plan be amended to include actions, with measurable objectives, that the Secretary determines, based on available data and analyses of student loan defaults, will promote student loan repayment.

(8) PARTICIPATION RATE INDEX.—

(A) IN GENERAL.—An institution that demonstrates to the Secretary that the institution's participation rate index is equal to or less than 0.0375 for any of the 3 most recent fiscal years for which data is available shall not be subject to paragraph (2). The participation rate index shall be determined by multiplying the institution's cohort default rate for loans under part B or D, or weighted average cohort default rate for loans under parts B and D, by the percentage of the institution's regular students, enrolled on at least a half-time basis, who received a loan made under part B or D for a 12-month period ending during the 6 months immediately preceding the fiscal year for which the cohort of borrowers used to calculate the institution's cohort default rate is determined.

(B) DATA.—An institution shall provide the Secretary with sufficient data to determine the institution's participation rate index within 30 days after receiving an initial notification of the institution's draft cohort default rate.

(C) NOTIFICATION.—Prior to publication of a final cohort default rate for an institution that provides the data described in subparagraph (B), the Secretary shall notify the institution of the institution's compliance or noncompliance with subparagraph (A).

(9) SUNSET.—*No institution shall be subject to paragraph (2) after the transition period described in section 481B(e)(3).*

(d) ELIGIBLE LENDER.—

(1) IN GENERAL.—Except as provided in paragraphs (2) through (6), the term "eligible lender" means—

(A) a National or State chartered bank, a mutual savings bank, a savings and loan association, a stock savings bank, or a credit union which—

(i) is subject to examination and supervision by an agency of the United States or of the State in which its principal place of operation is established, and

(ii) does not have as its primary consumer credit function the making or holding of loans made to stu-

- dents under this part unless (I) it is a bank which is wholly owned by a State, or a bank which is subject to examination and supervision by an agency of the United States, makes student loans as a trustee pursuant to an express trust, operated as a lender under this part prior to January 1, 1975, and which meets the requirements of this provision prior to the enactment of the Higher Education Amendments of 1992, (II) it is a single wholly owned subsidiary of a bank holding company which does not have as its primary consumer credit function the making or holding of loans made to students under this part, (III) it is a bank (as defined in section 3(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(a)(1)) that is a wholly owned subsidiary of a nonprofit foundation, the foundation is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code, and the bank makes loans under this part only to undergraduate students who are age 22 or younger and has a portfolio of such loans that is not more than \$5,000,000, or (IV) it is a National or State chartered bank, or a credit union, with assets of less than \$1,000,000,000;
- (B) a pension fund as defined in the Employee Retirement Income Security Act;
- (C) an insurance company which is subject to examination and supervision by an agency of the United States or a State;
- (D) in any State, a single agency of the State or a single nonprofit private agency designated by the State;
- (E) an eligible institution which meets the requirements of paragraphs (2) through (5) of this subsection;
- (F) for purposes only of purchasing and holding loans made by other lenders under this part, the Student Loan Marketing Association or the Holding Company of the Student Loan Marketing Association, including any subsidiary of the Holding Company, created pursuant to section 440, or an agency of any State functioning as a secondary market;
- (G) for purposes of making loans under sections 428B(d) and 428C, the Student Loan Marketing Association or the Holding Company of the Student Loan Marketing Association, including any subsidiary of the Holding Company, created pursuant to section 440;
- (H) for purposes of making loans under sections 428(h) and 428(j), a guaranty agency;
- (I) a Rural Rehabilitation Corporation, or its successor agency, which has received Federal funds under Public Law 499, Eighty-first Congress (64 Stat. 98 (1950));
- (J) for purpose of making loans under section 428C, any nonprofit private agency functioning in any State as a secondary market; and
- (K) a consumer finance company subsidiary of a national bank which, as of the date of enactment of this subparagraph, through one or more subsidiaries: (i) acts as a small

business lending company, as determined under regulations of the Small Business Administration under section 120.470 of title 13, Code of Federal Regulations (as such section is in effect on the date of enactment of this subparagraph); and (ii) participates in the program authorized by this part pursuant to subparagraph (C), provided the national bank and all of the bank's direct and indirect subsidiaries taken together as a whole, do not have, as their primary consumer credit function, the making or holding of loans made to students under this part.

(2) REQUIREMENTS FOR ELIGIBLE INSTITUTIONS.—

(A) IN GENERAL.—To be an eligible lender under this part, an eligible institution—

(i) shall employ at least one person whose full-time responsibilities are limited to the administration of programs of financial aid for students attending such institution;

(ii) shall not be a home study school;

(iii) shall not—

(I) make a loan to any undergraduate student;

(II) make a loan other than a loan under section 428 or 428H to a graduate or professional student;

or

(III) make a loan to a borrower who is not enrolled at that institution;

(iv) shall award any contract for financing, servicing, or administration of loans under this title on a competitive basis;

(v) shall offer loans that carry an origination fee or an interest rate, or both, that are less than such fee or rate authorized under the provisions of this title;

(vi) shall not have a cohort default rate (as defined in subsection (m)) greater than 10 percent;

(vii) shall, for any year for which the institution engages in activities as an eligible lender, provide for a compliance audit conducted in accordance with section 428(b)(1)(U)(iii)(I), and the regulations thereunder, and submit the results of such audit to the Secretary;

(viii) shall use any proceeds from special allowance payments and interest payments from borrowers, interest subsidies received from the Department of Education, and any proceeds from the sale or other disposition of loans, for need-based grant programs; and

(ix) shall have met the requirements of subparagraphs (A) through (F) of this paragraph as in effect on the day before the date of enactment of the Higher Education Reconciliation Act of 2005, and made loans under this part, on or before April 1, 2006.

(B) ADMINISTRATIVE EXPENSES.—An eligible lender under subparagraph (A) shall be permitted to use a portion of the proceeds described in subparagraph (A)(viii) for reasonable and direct administrative expenses.

(C) SUPPLEMENT, NOT SUPPLANT.—An eligible lender under subparagraph (A) shall ensure that the proceeds described in subparagraph (A)(viii) are used to supplement,

and not to supplant, non-Federal funds that would otherwise be used for need-based grant programs.

(3) **DISQUALIFICATION FOR HIGH DEFAULT RATES.**—The term “eligible lender” does not include any eligible institution in any fiscal year immediately after the fiscal year in which the Secretary determines, after notice and opportunity for a hearing, that for each of 2 consecutive years, 15 percent or more of the total amount of such loans as are described in section 428(a)(1) made by the institution with respect to students at that institution and repayable in each such year, are in default, as defined in subsection (m).

(4) **WAIVER OF DISQUALIFICATION.**—Whenever the Secretary determines that—

(A) there is reasonable possibility that an eligible institution may, within 1 year after a determination is made under paragraph (3), improve the collection of loans described in section 428(a)(1), so that the application of paragraph (3) would be a hardship to that institution, or

(B) the termination of the lender’s status under paragraph (3) would be a hardship to the present or for prospective students of the eligible institution, after considering the management of that institution, the ability of that institution to improve the collection of loans, the opportunities that institution offers to economically disadvantaged students, and other related factors,

the Secretary shall waive the provisions of paragraph (3) with respect to that institution. Any determination required under this paragraph shall be made by the Secretary prior to the termination of an eligible institution as a lender under the exception of paragraph (3). Whenever the Secretary grants a waiver pursuant to this paragraph, the Secretary shall provide technical assistance to the institution concerned in order to improve the collection rate of such loans.

(5) **DISQUALIFICATION FOR USE OF CERTAIN INCENTIVES.**—The term “eligible lender” does not include any lender that the Secretary determines, after notice and opportunity for a hearing, has—

(A) offered, directly or indirectly, points, premiums, payments (including payments for referrals and for processing or finder fees), prizes, stock or other securities, travel, entertainment expenses, tuition payment or reimbursement, the provision of information technology equipment at below-market value, additional financial aid funds, or other inducements, to any institution of higher education, any employee of an institution of higher education, or any individual or entity in order to secure applicants for loans under this part;

(B) conducted unsolicited mailings, by postal or electronic means, of student loan application forms to students enrolled in secondary schools or postsecondary institutions, or to family members of such students, except that applications may be mailed, by postal or electronic means, to students or borrowers who have previously received loans under this part from such lender;

(C) entered into any type of consulting arrangement, or other contract to provide services to a lender, with an employee who is employed in the financial aid office of an institution of higher education, or who otherwise has responsibilities with respect to student loans or other financial aid of the institution;

(D) compensated an employee who is employed in the financial aid office of an institution of higher education, or who otherwise has responsibilities with respect to student loans or other financial aid of the institution, and who is serving on an advisory board, commission, or group established by a lender or group of lenders for providing such service, except that the eligible lender may reimburse such employee for reasonable expenses incurred in providing such service;

(E) performed for an institution of higher education any function that such institution of higher education is required to perform under this title, except that a lender shall be permitted to perform functions on behalf of such institution in accordance with section 485(b) or 485(l);

(F) paid, on behalf of an institution of higher education, another person to perform any function that such institution of higher education is required to perform under this title, except that a lender shall be permitted to perform functions on behalf of such institution in accordance with section 485(b) or 485(l);

(G) provided payments or other benefits to a student at an institution of higher education to act as the lender's representative to secure applications under this title from individual prospective borrowers, unless such student—

(i) is also employed by the lender for other purposes; and

(ii) made all appropriate disclosures regarding such employment;

(H) offered, directly or indirectly, loans under this part as an inducement to a prospective borrower to purchase a policy of insurance or other product; or

(I) engaged in fraudulent or misleading advertising.

It shall not be a violation of this paragraph for a lender to provide technical assistance to institutions of higher education comparable to the kinds of technical assistance provided to institutions of higher education by the Department.

(6) **REBATE FEE REQUIREMENT.**—To be an eligible lender under this part, an eligible lender shall pay rebate fees in accordance with section 428C(f).

(7) **ELIGIBLE LENDER TRUSTEES.**—Notwithstanding any other provision of this subsection, an eligible lender may not make or hold a loan under this part as trustee for an institution of higher education, or for an organization affiliated with an institution of higher education, unless—

(A) the eligible lender is serving as trustee for that institution or organization as of the date of enactment of the Third Higher Education Extension Act of 2006 under a contract that was originally entered into before the date of

enactment of such Act and that continues in effect or is renewed after such date; and

(B) the institution or organization, and the eligible lender, with respect to its duties as trustee, each comply on and after January 1, 2007, with the requirements of paragraph (2), except that—

(i) the requirements of clauses (i), (ii), (vi), and (viii) of paragraph (2)(A) shall, subject to clause (ii) of this subparagraph, only apply to the institution (including both an institution for which the lender serves as trustee and an institution affiliated with an organization for which the lender serves as trustee);

(ii) in the case of an organization affiliated with an institution—

(I) the requirements of clauses (iii) and (v) of paragraph (2)(A) shall apply to the organization; and

(II) the requirements of clause (viii) of paragraph (2)(A) shall apply to the institution or the organization (or both), if the institution or organization receives (directly or indirectly) the proceeds described in such clause;

(iii) the requirements of clauses (iv) and (ix) of paragraph (2)(A) shall not apply to the eligible lender, institution, or organization; and

(iv) the eligible lender, institution, and organization shall ensure that the loans made or held by the eligible lender as trustee for the institution or organization, as the case may be, are included in a compliance audit in accordance with clause (vii) of paragraph (2)(A).

(8) SCHOOL AS LENDER PROGRAM AUDIT.—Each institution serving as an eligible lender under paragraph (1)(E), and each eligible lender serving as a trustee for an institution of higher education or an organization affiliated with an institution of higher education, shall annually complete and submit to the Secretary a compliance audit to determine whether—

(A) the institution or lender is using all proceeds from special allowance payments and interest payments from borrowers, interest subsidies received from the Department, and any proceeds from the sale or other disposition of loans, for need-based grant programs, in accordance with paragraph (2)(A)(viii);

(B) the institution or lender is using not more than a reasonable portion of the proceeds described in paragraph (2)(A)(viii) for direct administrative expenses; and

(C) the institution or lender is ensuring that the proceeds described in paragraph (2)(A)(viii) are being used to supplement, and not to supplant, Federal and non-Federal funds that would otherwise be used for need-based grant programs.

(e) LINE OF CREDIT.—The term “line of credit” means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual install-

ments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

(f) **DUE DILIGENCE.**—The term “due diligence” requires the utilization by a lender, in the servicing and collection of loans insured under this part, of servicing and collection practices at least as extensive and forceful as those generally practiced by financial institutions for the collection of consumer loans.

(i) **HOLDER.**—The term “holder” means an eligible lender who owns a loan.

(j) **GUARANTY AGENCY.**—The term “guaranty agency” means any State or nonprofit private institution or organization with which the Secretary has an agreement under section 428(b).

(k) **INSURANCE BENEFICIARY.**—The term “insurance beneficiary” means the insured or its authorized representative assigned in accordance with section 429(d).

(l) **DEFAULT.**—Except as provided in subsection (m), the term “default” includes only such defaults as have existed for (1) 270 days in the case of a loan which is repayable in monthly installments, or (2) 330 days in the case of a loan which is repayable in less frequent installments.

(m) **COHORT DEFAULT RATE.**—

(1) **IN GENERAL.**—(A) Except as provided in paragraph (2), the term “cohort default rate” means, for any fiscal year in which 30 or more current and former students at the institution enter repayment on loans under section 428, 428A, or 428H, received for attendance at the institution, the percentage of those current and former students who enter repayment on such loans (or on the portion of a loan made under section 428C that is used to repay any such loans) received for attendance at that institution in that fiscal year who default before the end of the second fiscal year following the fiscal year in which the students entered repayment. The Secretary shall require that each guaranty agency that has insured loans for current or former students of the institution afford such institution a reasonable opportunity (as specified by the Secretary) to review and correct errors in the information required to be provided to the Secretary by the guaranty agency for the purposes of calculating a cohort default rate for such institution, prior to the calculation of such rate.

(B) In determining the number of students who default before the end of such second fiscal year, the Secretary shall include only loans for which the Secretary or a guaranty agency has paid claims for insurance. In considering appeals with respect to cohort default rates pursuant to subsection (a)(3), the Secretary shall exclude, from the calculation of the number of students who entered repayment and from the calculation of the number of students who default, any loans which, due to improper servicing or collection, would, as demonstrated by the evidence submitted in support of the institution’s timely appeal to the Secretary, result in an inaccurate or incomplete calculation of such cohort default rate.

(C) For any fiscal year in which fewer than 30 of the institution’s current and former students enter repayment, the term “cohort default rate” means the percentage of such current and former students who entered repayment on such loans (or on

the portion of a loan made under section 428C that is used to repay any such loans) in any of the three most recent fiscal years, who default before the end of the second fiscal year following the year in which they entered repayment.

(2) SPECIAL RULES.—(A) In the case of a student who has attended and borrowed at more than one school, the student (and such student's subsequent repayment or default) is attributed to each school for attendance at which the student received a loan that entered repayment in the fiscal year.

(B) A loan on which a payment is made by the school, such school's owner, agent, contractor, employee, or any other entity or individual affiliated with such school, in order to avoid default by the borrower, is considered as in default for purposes of this subsection.

(C) Any loan which has been rehabilitated before the end of the second fiscal year following the year in which the loan entered repayment is not considered as in default for purposes of this subsection. The Secretary may require guaranty agencies to collect data with respect to defaulted loans in a manner that will permit the identification of any defaulted loan for which (i) the borrower is currently making payments and has made not less than 6 consecutive on-time payments by the end of such second fiscal year, and (ii) a guaranty agency has renewed the borrower's title IV eligibility as provided in section 428F(b).

(D) For the purposes of this subsection, a loan made in accordance with section 428A (or the portion of a loan made under section 428C that is used to repay a loan made under section 428A) shall not be considered to enter repayment until after the borrower has ceased to be enrolled in a course of study leading to a degree or certificate at an eligible institution on at least a half-time basis (as determined by the institution) and ceased to be in a period of forbearance based on such enrollment. Each eligible lender of a loan made under section 428A (or a loan made under section 428C a portion of which is used to repay a loan made under section 428A) shall provide the guaranty agency with the information necessary to determine when the loan entered repayment for purposes of this subsection, and the guaranty agency shall provide such information to the Secretary.

(3) REGULATIONS TO PREVENT EVASIONS.—The Secretary shall prescribe regulations designed to prevent an institution from evading the application to that institution of a default rate determination under this subsection through the use of such measures as branching, consolidation, change of ownership or control, or any similar device.

(4) COLLECTION AND REPORTING OF COHORT DEFAULT RATES AND LIFE OF COHORT DEFAULT RATES.—(A) The Secretary shall publish not less often than once every fiscal year a report showing cohort default data and life of cohort default rates for each category of institution, including: (i) four-year public institutions; (ii) four-year private nonprofit institutions; (iii) two-year public institutions; (iv) two-year private nonprofit institutions; (v) four-year proprietary institutions; (vi) two-year proprietary institutions; and (vii) less than two-year proprietary

institutions. For purposes of this subparagraph, for any fiscal year in which one or more current and former students at an institution enter repayment on loans under section 428, 428B, or 428H, received for attendance at the institution, the Secretary shall publish the percentage of those current and former students who enter repayment on such loans (or on the portion of a loan made under section 428C that is used to repay any such loans) received for attendance at the institution in that fiscal year who default before the end of each succeeding fiscal year.

(B) The Secretary may designate such additional subcategories within the categories specified in subparagraph (A) as the Secretary deems appropriate.

(C) The Secretary shall publish not less often than once every fiscal year a report showing default data for each institution for which a cohort default rate is calculated under this subsection.

(D) The Secretary shall publish the report described in subparagraph (C) by September 30 of each year.

(5) *TRANSITION PERIOD; SUNSET.*—

(A) *TRANSITION PERIOD.*—*During the transition period, the cohort default rate for an institution shall be calculated in the manner described in section 481B(e)(1).*

(B) *SUNSET.*—*The Secretary shall not be subject, and no institution shall be subject, to the requirements of this subsection after the transition period.*

(C) *DEFINITION.*—*In this paragraph, the term “transition period” has the meaning given the term in section 481B(e)(3).*

(o) *ECONOMIC HARDSHIP.*—

(1) *IN GENERAL.*—*For purposes of this part and part E, as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act, a borrower shall be considered to have an economic hardship if—*

(A) such borrower is working full-time and is earning an amount which does not exceed the greater of—

(i) the minimum wage rate described in section 6 of the Fair Labor Standards Act of 1938; or

(ii) an amount equal to 150 percent of the poverty line applicable to the borrower’s family size as determined in accordance with section 673(2) of the Community Services Block Grant Act; or

(B) such borrower meets such other criteria as are established by the Secretary by regulation in accordance with paragraph (2).

(2) *CONSIDERATIONS.*—*In establishing criteria for purposes of paragraph (1)(B), the Secretary shall consider the borrower’s income and debt-to-income ratio as primary factors.*

(p) *ELIGIBLE NOT-FOR-PROFIT HOLDER.*—

(1) *DEFINITION.*—*Subject to the limitations in paragraph (2) and the prohibition in paragraph (3), the term “eligible not-for-profit holder” means an eligible lender under subsection (d) (except for an eligible lender described in subsection (d)(1)(E)) that requests a special allowance payment under section 438(b)(2)(I)(vi)(II) or a payment under section 781 and that is—*

(A) a State, or a political subdivision, authority, agency, or other instrumentality thereof, including such entities that are eligible to issue bonds described in section 1.103-1 of title 26, Code of Federal Regulations, or section 144(b) of the Internal Revenue Code of 1986;

(B) an entity described in section 150(d)(2) of such Code that has not made the election described in section 150(d)(3) of such Code;

(C) an entity described in section 501(c)(3) of such Code; or

(D) acting as a trustee on behalf of a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d).

(2) LIMITATIONS.—

(A) EXISTING ON DATE OF ENACTMENT.—

(i) IN GENERAL.—An eligible lender shall not be an eligible not-for-profit holder under this Act unless such lender—

(I) was a State, political subdivision, authority, agency, instrumentality, or other entity described in paragraph (1)(A), (B), or (C) that was, on the date of the enactment of the College Cost Reduction and Access Act, acting as an eligible lender under subsection (d) (other than an eligible lender described in subsection (d)(1)(E)); or

(II) is acting as a trustee on behalf of a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C) of paragraph (1), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d), and such State, political subdivision, authority, agency, instrumentality, or other entity, on the date of enactment of the College Cost Reduction and Access Act, was the sole beneficial owner of a loan eligible for any special allowance payment under section 438.

(ii) EXCEPTION.—Notwithstanding clause (i), a State may elect, in accordance with regulations of the Secretary, to waive the requirements of this subparagraph for a new not-for-profit holder determined by the State to be necessary to carry out a public purpose of such State, except that a State may not make such election with respect the requirements of clause (i)(II).

(B) NO FOR-PROFIT OWNERSHIP OR CONTROL.—

(i) IN GENERAL.—No State, political subdivision, authority, agency, instrumentality, or other entity described in paragraph (1)(A), (B), or (C) shall be an eligible not-for-profit holder under this Act if such State, political subdivision, authority, agency, instrumen-

tality, or other entity is owned or controlled, in whole or in part, by a for-profit entity.

(ii) TRUSTEES.—A trustee described in paragraph (1)(D) shall not be an eligible not-for-profit holder under this Act with respect to a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C) of paragraph (1), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d), if such State, political subdivision, authority, agency, instrumentality, or other entity is owned or controlled, in whole or in part, by a for-profit entity.

(C) SOLE OWNERSHIP OF LOANS AND INCOME.—No State, political subdivision, authority, agency, instrumentality, trustee, or other entity described in paragraph (1)(A), (B), (C), or (D) shall be an eligible not-for-profit holder under this Act with respect to any loan, or income from any loan, unless—

(i) such State, political subdivision, authority, agency, instrumentality, or other entity is the sole beneficial owner of such loan and the income from such loan; or

(ii) such trustee holds the loan on behalf of a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C) of paragraph (1), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d), and such State, political subdivision, authority, agency, instrumentality, or other entity is the sole beneficial owner of such loan and the income from such loan.

(D) TRUSTEE COMPENSATION LIMITATIONS.—A trustee described in paragraph (1)(D) shall not receive compensation as consideration for acting as an eligible lender on behalf of a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C) of paragraph (1), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d), in excess of reasonable and customary fees.

(E) RULE OF CONSTRUCTION.—For purposes of subparagraphs (A), (B), (C), and (D) of this paragraph, a State, political subdivision, authority, agency, instrumentality, or other entity described in subparagraph (A), (B), or (C) of paragraph (1), regardless of whether such State, political subdivision, authority, agency, instrumentality, or other entity is an eligible lender under subsection (d), shall not—

(i) be deemed to be owned or controlled, in whole or in part, by a for-profit entity; or

(ii) lose its status as the sole owner of a beneficial interest in a loan and the income from a loan,

by such State, political subdivision, authority, agency, instrumentality, or other entity, or by the trustee described in paragraph (1)(D), granting a security interest in, or otherwise pledging as collateral, such loan, or the income from such loan, to secure a debt obligation for which such State, political subdivision, authority, agency, instrumentality, or other entity is the issuer of the debt obligation.

(3) PROHIBITION.—In the case of a loan for which the special allowance payment is calculated under section 438(b)(2)(I)(vi)(II) and that is sold by the eligible not-for-profit holder holding the loan to an entity that is not an eligible not-for-profit holder under this Act, the special allowance payment for such loan shall, beginning on the date of the sale, no longer be calculated under section 438(b)(2)(I)(vi)(II) and shall be calculated under section 438(b)(2)(I)(vi)(I) instead.

(4) REGULATIONS.—Not later than 1 year after the date of enactment of the College Cost Reduction and Access Act, the Secretary shall promulgate regulations in accordance with the provisions of this subsection.

* * * * *

SEC. 437. REPAYMENT BY THE SECRETARY OF LOANS OF BANKRUPT, DECEASED, OR DISABLED BORROWERS; TREATMENT OF BORROWERS ATTENDING SCHOOLS THAT FAIL TO PROVIDE A REFUND, ATTENDING CLOSED SCHOOLS, OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW.

(a) REPAYMENT IN FULL FOR DEATH AND DISABILITY.—

(1) IN GENERAL.—If a student borrower who has received a loan described in subparagraph (A) or (B) of section 428(a)(1) dies or becomes permanently and totally disabled (as determined in accordance with regulations of the Secretary), or if a student borrower who has received such a loan is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, has lasted for a continuous period of not less than 60 months, or can be expected to last for a continuous period of not less than 60 months then the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan. The Secretary may develop such safeguards as the Secretary determines necessary to prevent fraud and abuse in the discharge of liability under this subsection. Notwithstanding any other provision of this subsection, the Secretary may promulgate regulations to reinstate the obligation of, and resume collection on, loans discharged under this subsection in any case in which—

(A) a borrower received a discharge of liability under this subsection and after the discharge the borrower—

(i) receives a loan made, insured, or guaranteed under this title; or

(ii) has earned income in excess of the poverty line;

or

(B) the Secretary determines the reinstatement and resumption to be necessary.

(2) DISABILITY DETERMINATIONS.—A borrower who has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition and who provides

documentation of such determination to the Secretary of Education, shall be considered permanently and totally disabled for the purpose of discharging such borrower's loans under this subsection, and such borrower shall not be required to present additional documentation for purposes of this subsection.

(b) PAYMENT OF CLAIMS ON LOANS IN BANKRUPTCY.—The Secretary shall pay to the holder of a loan described in section 428(a)(1) (A) or (B), 428A, 428B, 428C, or 428H, the amount of the unpaid balance of principal and interest owed on such loan—

(1) when the borrower files for relief under chapter 12 or 13 of title 11, United States Code;

(2) when the borrower who has filed for relief under chapter 7 or 11 of such title commences an action for a determination of dischargeability under section 523(a)(8)(B) of such title; or

(3) for loans described in section 523(a)(8)(A) of such title, when the borrower files for relief under chapter 7 or 11 of such title.

(c) DISCHARGE.—

(1) IN GENERAL.—If a borrower who received, on or after January 1, 1986, a loan made, insured, or guaranteed under this part and the student borrower, or the student on whose behalf a parent borrowed, is unable to complete the program in which such student is enrolled due to the closure of the institution or if such student's eligibility to borrow under this part was falsely certified by the eligible institution or was falsely certified as a result of a crime of identity theft, or if the institution failed to make a refund of loan proceeds which the institution owed to such student's lender, *and the borrower meets the applicable requirements of paragraphs (6) through (8)*, then the Secretary shall discharge the borrower's liability on the loan (including interest and collection fees) by repaying the amount owed on the loan and shall subsequently pursue any claim available to such borrower against the institution and its affiliates and principals or settle the loan obligation pursuant to the financial responsibility authority under subpart 3 of part H. In the case of a discharge based upon a failure to refund, the amount of the discharge shall not exceed that portion of the loan which should have been refunded. The Secretary shall report to the authorizing committees annually as to the dollar amount of loan discharges attributable to failures to make refunds.

(2) ASSIGNMENT.—A borrower whose loan has been discharged pursuant to this subsection shall be deemed to have assigned to the United States the right to a loan refund up to the amount discharged against the institution and its affiliates and principals.

(3) ELIGIBILITY FOR ADDITIONAL ASSISTANCE.—The period of a student's attendance at an institution at which the student was unable to complete a course of study due to the closing of the institution shall not be considered for purposes of calculating the student's period of eligibility for additional assistance under this title.

(4) SPECIAL RULE.—A borrower whose loan has been discharged pursuant to this subsection shall not be precluded from receiving additional grants, loans, or work assistance under this title for which the borrower would be otherwise eli-

gible (but for the default on such discharged loan). The amount discharged under this subsection shall be treated the same as loans under section 465(a)(5) of this title, *as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act.*

(5) REPORTING.—The Secretary shall report to consumer reporting agencies with respect to loans which have been discharged pursuant to this subsection.

(6) BORROWER QUALIFICATIONS FOR A CLOSED SCHOOL DISCHARGE.—

(A) IN GENERAL.—*In order to qualify for the discharge of a loan under this subsection due to the closure of the institution in which the borrower was enrolled, a borrower shall submit to the Secretary a written request and sworn statement—*

- (i) that contains true factual assertions;*
- (ii) that is made by the borrower under penalty of perjury, and that may or may not be notarized;*
- (iii) under which the borrower (or the student on whose behalf a parent borrowed) states—*

(I) that the borrower or the student—

(aa) received, on or after January 1, 1986, the proceeds of a loan made, insured, or guaranteed under this title to attend a program of study at an institution of higher education;

(bb)(AA) did not complete the program of study because the institution closed while the student was enrolled; or

(BB) the student withdrew from the institution not more than 120 days before the institution closed, or in the case of exceptional circumstances described in subparagraph (B), not more than the period by which such 120-day period is extended under such subparagraph; and

(cc) attempted but was unable to complete the program of study through a teach-out at another institution or by transferring academic credits or hours earned at the closed institution to another institution;

(II) whether the borrower (or the student) has made a claim with respect to the institutions's closing with any third party, such as the holder of a performance bond or a tuition recovery program, and, if so, the amount of any payment received by the borrower (or the student) or credited to the borrower's loan obligation; and

(III) that the borrower (or the student)—

(aa) agrees to provide to the Secretary or the holder of the loan upon request other documentation reasonably available to the borrower that demonstrates that the borrower meets the qualifications for discharge under this subsection; and

(bb) agrees to cooperate with the Secretary in enforcement actions in accordance with subparagraph (C) and to transfer any right to recovery against a third party to the Secretary in accordance with subparagraph (D).

(B) EXCEPTIONAL CIRCUMSTANCES.—

(i) IN GENERAL.—The Secretary may extend the 120-day period described in subparagraph (A)(iii)(I)(bb)(BB) if the Secretary determines that exceptional circumstances related to an institution's closing justify an extension.

(ii) DEFINITION.—For purposes of this subsection, the term “exceptional circumstances”, when used with respect to an institution that closed, includes the loss of accreditation of institution, the institutions's discontinuation of the majority of its academic programs, action by the State to revoke the institution's license to operate or award academic credentials in the State, or a finding by a State or Federal Government agency that the institution violated State or Federal law.

(C) COOPERATION BY BORROWER IN ENFORCEMENT ACTIONS.—

(i) IN GENERAL.—In order to obtain a discharge described in subparagraph (A), a borrower shall cooperate with the Secretary in any judicial or administrative proceeding brought by the Secretary to recover amounts discharged or to take other enforcement action with respect to the conduct on which the discharge was based. At the request of the Secretary and upon the Secretary's tendering to the borrower the fees and costs that are customarily provided in litigation to reimburse witnesses, the borrower shall—

(I) provide testimony regarding any representation made by the borrower to support a request for discharge;

(II) produce any documents reasonably available to the borrower with respect to those representations; and

(III) if required by the Secretary, provide a sworn statement regarding those documents and representations.

(ii) DENIAL OF REQUEST FOR DISCHARGE.—The Secretary shall deny the request for such a discharge or revoke the discharge of a borrower who—

(I) fails to provide the testimony, documents, or a sworn statement required under clause (i); or

(II) provides testimony, documents, or a sworn statement that does not support the material representations made by the borrower to obtain the discharge.

(D) TRANSFER TO THE SECRETARY OF BORROWER'S RIGHT OF RECOVERY AGAINST THIRD PARTIES.—

(i) IN GENERAL.—Upon receiving a discharge described in subparagraph (A) of a loan, the borrower shall be deemed to have assigned to and relinquished

in favor of the Secretary any right to a loan refund for such loan (up to the amount discharged) that the borrower (or student) may have by contract or applicable law with respect to the loan or the enrollment agreement for the program for which the loan was received, against the institution, its principals, its affiliates and their successors, its sureties, and any private fund, including the portion of a public fund that represents funds received from a private party.

(ii) *APPLICATION.*—The provisions of this subsection apply notwithstanding any provision of State law that would otherwise restrict transfer of such rights by the borrower (or student), limit, or prevent a transferee from exercising such rights, or establish procedures or a scheme of distribution that would prejudice the Secretary's ability to recover on such rights.

(iii) *RULE OF CONSTRUCTION.*—Nothing in this subsection shall limit or foreclose the borrower's (or student's) right to pursue legal and equitable relief regarding disputes arising from matters unrelated to the discharged loan.

(E) DISCHARGE PROCEDURES.—

(i) *IN GENERAL.*—After confirming the date of an institution's closure, the Secretary shall identify any borrower (or student on whose behalf a parent borrowed) who appears to have been enrolled at the institution on the closure date of the institution or to have withdrawn not more than 120 days prior to the closure date (or in the case of exceptional circumstances described in subparagraph (B), not more than the period by which such 120-day period is extended under such subparagraph. In the case of a loan made, insured, or guaranteed under this part, a guaranty agency shall notify the Secretary immediately whenever it becomes aware of reliable information indicating an institution may have closed.

(ii) *BORROWER ADDRESS.*—

(I) *KNOWN.*—If the borrower's current address is known, the Secretary shall mail the borrower a discharge application and an explanation of the qualifications and procedures for obtaining a discharge. The Secretary or the guaranty agency shall promptly suspend any efforts to collect from the borrower on any affected loan. The Secretary may continue to receive borrower payments of the loan for which the discharge application has been filed.

(II) *UNKNOWN.*—If the borrower's current address is unknown, the Secretary shall attempt to locate the borrower and determine the borrower's potential eligibility for a discharge described in subparagraph (A) by consulting with representatives of the closed institution, the institution's licensing agency, the institution's accrediting agency, and other appropriate parties. If the Secretary learns the new address of a borrower, the Sec-

retary shall mail to the borrower a discharge application and explanation, and shall suspend collection on the loan, as described in subclause (I).

(iii) *SWORN STATEMENT.*—If a borrower fails to submit the written request and sworn statement described subparagraph (A) not later than 60 days after date on which the Secretary mails the discharge application under clause (ii), the Secretary—

(I) shall resume collection on the loan and grant forbearance of principal and interest for the period in which collection activity was suspended; and

(II) may capitalize any interest accrued and not paid during such period.

(iv) *NOTIFICATION.*—

(I) *QUALIFICATIONS MET.*—If the Secretary determines that a borrower who requests a discharge described in subparagraph (A) meets the qualifications for such a discharge, the Secretary shall—

(aa) notify the borrower in writing of that determination; and

(bb) not regard a borrower who has defaulted on a loan that has been so discharged as in default on the loan after such discharge, and such a borrower shall be eligible to receive assistance under this title.

(II) *QUALIFICATIONS NOT MET.*—If the Secretary determines that a borrower who requests a discharge described in subparagraph (A) does not meet the qualifications for such a discharge, the Secretary or guaranty agency shall resume collection on the loan and notify the borrower in writing of that determination and the reasons for the determination.

(7) *BORROWER QUALIFICATIONS FOR A FALSE CERTIFICATION DISCHARGE.*—

(A) *APPLICATION.*—

(i) *IN GENERAL.*—In order to qualify for false certification discharge under this subsection, the borrower shall submit to the Secretary, on a form approved by the Secretary, an application for discharge that—

(I) does not need not be notarized, but shall be made by the borrower under penalty of perjury; and

(II) demonstrates to the satisfaction of the Secretary that the requirements in subparagraphs (B) through (G) have been met.

(ii) *NOTIFICATION.*—If the Secretary determines the application does not meet the requirements of clause (i), the Secretary shall notify the applicant and explain why the application does not meet the requirements.

(B) *HIGH SCHOOL DIPLOMA OR EQUIVALENT.*—In the case of a borrower requesting a false certification discharge based on not having had a high school diploma and not having met the alternative to graduation from high school eligibility requirements under section 484(d) applicable at

the time the loan was originated, and the institution or a third party to which the institution referred the borrower falsified the student's high school diploma, the borrower shall state in the application that the borrower (or the student on whose behalf a parent borrowed)—

(i) reported not having a valid high school diploma or its equivalent at the time the loan was certified; and

(ii) did not satisfy the alternative to graduation from high school statutory or regulatory eligibility requirements identified on the application form and applicable at the time the institution certified the loan.

(C) **DISQUALIFYING CONDITION.**—In the case of a borrower requesting a false certification discharge based on a condition that would disqualify the borrower from employment in the occupation that the program for which the borrower received the loan was intended, the borrower shall state in the application that the borrower (or student on whose behalf the parent borrowed) did not meet State requirements for employment (in the student's State of residence) in the occupation that the program for which the borrower received the loan was intended because of a physical or mental condition, age, criminal record, or other reason accepted by the Secretary.

(D) **UNAUTHORIZED LOAN.**—In the case of a borrower requesting a discharge under this subsection because the institution signed the borrower's name on the loan application or promissory note without the borrower's authorization, the borrower shall—

(i) state that the borrower did not sign the document in question or authorize the institution to do so; and

(ii) provide 5 different specimens of the borrower's signature, 2 of which must be within one year before or after the date of the contested signature.

(E) **UNAUTHORIZED PAYMENT.**—In the case of a borrower requesting a false certification discharge because the institution, without the borrower's authorization, endorsed the borrower's loan check or signed the borrower's authorization for electronic funds transfer, the borrower shall—

(i) state that the borrower did not endorse the loan check or sign the authorization for electronic funds transfer or authorize the institution to do so;

(ii) provide 5 different specimens of the borrower's signature, 2 of which must be within one year before or after the date of the contested signature; and

(iii) state that the proceeds of the contested disbursement were not delivered to the borrower or applied to charges owed by the borrower to the institution.

(F) **IDENTITY THEFT.**—

(i) **IN GENERAL.**—In the case of an individual whose eligibility to borrow was falsely certified because the individual was a victim of the crime of identity theft and is requesting a discharge, the individual shall—

(I) certify that the individual did not sign the promissory note, or that any other means of identi-

fication used to obtain the loan was used without the authorization of the individual claiming relief;

(II) certify that the individual did not receive or benefit from the proceeds of the loan with knowledge that the loan had been made without the authorization of the individual;

(III) provide a copy of a local, State, or Federal court verdict or judgment that conclusively determines that the individual who is named as the borrower of the loan was the victim of a crime of identity theft; and

(IV) if the judicial determination of the crime does not expressly state that the loan was obtained as a result of the crime of identity theft, provide—

(aa) authentic specimens of the signature of the individual, as described in subparagraph (D)(ii), or of other means of identification of the individual, as applicable, corresponding to the means of identification falsely used to obtain the loan; and

(bb) statement of facts that demonstrate, to the satisfaction of the Secretary, that eligibility for the loan in question was falsely certified as a result of the crime of identity theft committed against that individual.

(ii) DEFINITIONS.—For purposes of this subparagraph:

(I) IDENTITY THEFT.—The term “identity theft” means the unauthorized use of the identifying information of another individual that is punishable under section 1028, 1028A, 1029, or 1030 of title 18, United States Code, or substantially comparable State or local law.

(II) IDENTIFYING INFORMATION.—The term “identifying information” includes—

(aa) name, Social Security number, date of birth, official State or government issued driver’s license or identification number, alien registration number, government passport number, and employer or taxpayer identification number;

(bb) unique biometric data, such as fingerprints, voiceprint, retina or iris image, or unique physical representation;

(cc) unique electronic identification number, address, or routing code; or

(dd) telecommunication identifying information or access device (as defined in 18 U.S.C. 1029(e)) borrower qualifications for a false certification discharge

(G) CLAIM TO THIRD PARTY.—The borrower shall state whether the borrower has made a claim with respect to the institutions’s false certification or unauthorized payment with any third party, such as the holder of a performance bond or a tuition recovery program, and, if so, the amount

of any payment received by the borrower or credited to the borrower's loan obligation.

(H) COOPERATION WITH THE SECRETARY.—The borrower shall state that the borrower—

(i) agrees to provide to the Secretary upon request other documentation reasonably available to the borrower that demonstrates that the borrower meets the qualifications for discharge under this subsection; and

(ii) agrees to cooperate with the Secretary in enforcement actions and to transfer any right to recovery against a third party to the Secretary.

(8) BORROWER QUALIFICATIONS FOR AN UNPAID REFUND DISCHARGE.—To receive an unpaid refund discharge of a portion of a loan under this subsection, a borrower shall submit to the holder or guaranty agency a written application—

(A) that requests the information required to calculate the amount of the discharge;

(B) that the borrower signs for the purpose of swearing to the accuracy of the information;

(C) that is made by the borrower under penalty of perjury, and that may or may not be notarized;

(D) under which the borrower states—

(i) that the borrower—

(I) received, on or after January 1, 1986, the proceeds of a loan, in whole or in part, made, insured, or guaranteed under this title to attend an institution of higher education;

(II) did not attend, withdrew, or was terminated from the institution within a timeframe that entitled the borrower to a refund; and

(III) did not receive the benefit of a refund to which the borrower was entitled either from the institution or from a third party, such as the holder of a performance bond or a tuition recovery program;

(ii) whether the borrower has any other application for discharge pending for this loan; and

(iii) that the borrower—

(I) agrees to provide to the Secretary upon request other documentation reasonably available to the borrower that demonstrates that the borrower meets the qualifications for discharge under this subsection; and

(II) agrees to cooperate with the Secretary in enforcement actions and to transfer any right to recovery against a third party to the Secretary.

(d) REPAYMENT OF LOANS TO PARENTS.—If a student on whose behalf a parent has received a loan described in section 428B dies, then the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan.

* * * * *

PART C—FEDERAL WORK-STUDY PROGRAMS

SEC. 441. PURPOSE; APPROPRIATIONS AUTHORIZED.

(a) **PURPOSE.**—The purpose of this part is to stimulate and promote the **[part-time]** *paid* employment of students who are enrolled as undergraduate**[, graduate, or professional]** students and who are in need of earnings from employment to pursue courses of study at eligible institutions, and to encourage students receiving Federal student financial assistance to participate in **[community service]** *work-based learning* activities that will benefit the Nation and engender in the students a sense of social responsibility and commitment to the community.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this **[part, such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.]** *part, \$1,722,858,000 for fiscal year 2019 and each of the 5 succeeding fiscal years.*

[(c) COMMUNITY SERVICES.—For purposes of this part, the term “community services” means services which are identified by an institution of higher education, through formal or informal consultation with local nonprofit, governmental, and community-based organizations, as designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs, including—

[(1) such fields as health care, child care (including child care services provided on campus that are open and accessible to the community), literacy training, education (including tutorial services), welfare, social services, transportation, housing and neighborhood improvement, public safety, emergency preparedness and response, crime prevention and control, recreation, rural development, and community improvement;

[(2) work in a project, as defined in section 101(20) of the National and Community Service Act of 1990 (42 U.S.C. 12511(20));

[(3) support services to students with disabilities, including students with disabilities who are enrolled at the institution; and

[(4) activities in which a student serves as a mentor for such purposes as—

[(A) tutoring;

[(B) supporting educational and recreational activities;

and

[(C) counseling, including career counseling.]

(c) **WORK-BASED LEARNING.**—*For purposes of this part, the term “work-based learning” means paid interactions with industry or community professionals in real workplace settings that foster in-depth, first-hand engagement with the tasks required of a given career field, that are aligned to a student’s field of study.*

SEC. 442. ALLOCATION OF FUNDS.

[(a) ALLOCATION BASED ON PREVIOUS ALLOCATION.—(1) From the amount appropriated pursuant to section 441(b) for each fiscal year, the Secretary shall first allocate to each eligible institution for each succeeding fiscal year, an amount equal to 100 percent of the amount such institution received under subsections (a) and (b)

for fiscal year 1999 (as such subsections were in effect with respect to allocations for such fiscal year).

[(2)(A) From the amount so appropriated, the Secretary shall next allocate to each eligible institution that began participation in the program under this part after fiscal year 1999 but is not a first or second time participant, an amount equal to the greater of—

[(i) \$5,000; or

[(ii) 90 percent of the amount received and used under this part for the first year it participated in the program.

[(B) From the amount so appropriated, the Secretary shall next allocate to each eligible institution that began participation in the program under this part after fiscal year 1999 and is a first or second time participant, an amount equal to the greatest of—

[(i) \$5,000;

[(ii) an amount equal to (I) 90 percent of the amount received and used under this part in the second preceding fiscal year by eligible institutions offering comparable programs of instruction, divided by (II) the number of students enrolled at such comparable institutions in such fiscal year, multiplied by (III) the number of students enrolled at the applicant institution in such fiscal year; or

[(iii) 90 percent of the institution's allocation under this part for the preceding fiscal year.

[(C) Notwithstanding subparagraphs (A) and (B) of this paragraph, the Secretary shall allocate to each eligible institution which—

[(i) was a first-time participant in the program in fiscal year 2000 or any subsequent fiscal year, and

[(ii) received a larger amount under this subsection in the second year of participation,

an amount equal to 90 percent of the amount it received under this subsection in its second year of participation.

[(3)(A) If the amount appropriated for any fiscal year is less than the amount required to be allocated to all institutions under paragraph (1) of this subsection, then the amount of the allocation to each such institution shall be ratably reduced.

[(B) If the amount appropriated for any fiscal year is more than the amount required to be allocated to all institutions under paragraph (1) but less than the amount required to be allocated to all institutions under paragraph (2), then—

[(i) the Secretary shall allot the amount required to be allocated to all institutions under paragraph (1), and

[(ii) the amount of the allocation to each institution under paragraph (2) shall be ratably reduced.

[(C) If additional amounts are appropriated for any such fiscal year, such reduced amounts shall be increased on the same basis as they were reduced (until the amount allocated equals the amount required to be allocated under paragraphs (1) and (2) of this subsection).

[(4)(A) Notwithstanding any other provision of this section, the Secretary may allocate an amount equal to not more than 10 percent of the amount by which the amount appropriated in any fiscal year to carry out this part exceeds \$700,000,000 among eligible institutions described in subparagraph (B).

[(B) In order to receive an allocation pursuant to subparagraph (A) an institution shall be an eligible institution from which 50 percent or more of the Pell Grant recipients attending such eligible institution graduate or transfer to a 4-year institution of higher education.

[(b) ALLOCATION OF EXCESS BASED ON SHARE OF EXCESS ELIGIBLE AMOUNTS.—(1) From the remainder of the amount appropriated pursuant to section 441(b) after making the allocations required by subsection (a), the Secretary shall allocate to each eligible institution which has an excess eligible amount an amount which bears the same ratio to such remainder as such excess eligible amount bears to the sum of the excess eligible amounts of all such eligible institutions (having such excess eligible amounts).

[(2) For any eligible institution, the excess eligible amount is the amount, if any, by which—

[(A)(i) the amount of that institution's need (as determined under subsection (c)), divided by (ii) the sum of the need of all institutions (as so determined), multiplied by (iii) the amount appropriated pursuant to section 441(b) for the fiscal year; exceeds

[(B) the amount required to be allocated to that institution under subsection (a).

[(c) DETERMINATION OF INSTITUTION'S NEED.—(1) The amount of an institution's need is equal to the sum of the self-help need of the institution's eligible undergraduate students and the self-help need of the institution's eligible graduate and professional students.

[(2) To determine the self-help need of an institution's eligible undergraduate students, the Secretary shall—

[(A) establish various income categories for dependent and independent undergraduate students;

[(B) establish an expected family contribution for each income category of dependent and independent undergraduate students, determined on the basis of the average expected family contribution (computed in accordance with part F of this title) of a representative sample within each income category for the second preceding fiscal year;

[(C) compute 25 percent of the average cost of attendance for all undergraduate students;

[(D) multiply the number of eligible dependent students in each income category by the lesser of—

[(i) 25 percent of the average cost of attendance for all undergraduate students determined under subparagraph (C); or

[(ii) the average cost of attendance for all undergraduate students minus the expected family contribution determined under subparagraph (B) for that income category, except that the amount computed by such subtraction shall not be less than zero;

[(E) add the amounts determined under subparagraph (D) for each income category of dependent students; and

[(F) multiply the number of eligible independent students in each income category by the lesser of—

- [(i) 25 percent of the average cost of attendance for all undergraduate students determined under subparagraph (C); or
 - [(ii) the average cost of attendance for all undergraduate students minus the expected family contribution determined under subparagraph (B) for that income category, except that the amount computed by such subtraction for any income category shall not be less than zero;
 - [(G) add the amounts determined under subparagraph (F) for each income category of independent students; and
 - [(H) add the amounts determined under subparagraphs (E) and (G).
- [(3) To determine the self-help need of an institution's eligible graduate and professional students, the Secretary shall—
- [(A) establish various income categories of graduate and professional students;
 - [(B) establish an expected family contribution for each income category of graduate and professional students, determined on the basis of the average expected family contribution (computed in accordance with part F of this title) of a representative sample within each income category for the second preceding fiscal year;
 - [(C) determine the average cost of attendance for all graduate and professional students;
 - [(D) subtract from the average cost of attendance for all graduate and professional students (determined under subparagraph (C)), the expected family contribution (determined under subparagraph (B)) for each income category, except that the amount computed by such subtraction for any income category shall not be less than zero;
 - [(E) multiply the amounts determined under subparagraph (D) by the number of eligible students in each category; and
 - [(F) add the amounts determined under subparagraph (E) of this paragraph for each income category.
- [(4)(A) For purposes of paragraphs (2) and (3), the term “average cost of attendance” means the average of the attendance costs for undergraduate students and for graduate and professional students, which shall include (i) tuition and fees determined in accordance with subparagraph (B), (ii) standard living expenses determined in accordance with subparagraph (C), and (iii) books and supplies determined in accordance with subparagraph (D).
- [(B) The average undergraduate and graduate and professional tuition and fees described in subparagraph (A)(i) shall be computed on the basis of information reported by the institution to the Secretary, which shall include (i) total revenue received by the institution from undergraduate and graduate tuition and fees for the second year preceding the year for which it is applying for an allocation, and (ii) the institution's enrollment for such second preceding year.
 - [(C) The standard living expense described in subparagraph (A)(ii) is equal to 150 percent of the difference between the income protection allowance for a family of five with one in college and the income protection allowance for a family of six with one in college for a single independent student.

[(D) The allowance for books and supplies described in subparagraph (A)(iii) is equal to \$600.]

[(d) REALLOCATION OF EXCESS ALLOCATIONS.—(1) If institutions return to the Secretary any portion of the sums allocated to such institutions under this section for any fiscal year, the Secretary shall reallocate such excess to eligible institutions which used at least 5 percent of the total amount of funds granted to such institution under this section to compensate students employed in tutoring in reading and family literacy activities in the preceding fiscal year. Such excess funds shall be reallocated to institutions which qualify under this subsection on the same basis as excess eligible amounts are allocated to institutions pursuant to subsection (b). Funds received by institutions pursuant to this subsection shall be used to compensate students employed in community service.]

[(2) If, under paragraph (1) of this subsection, an institution returns more than 10 percent of its allocation, the institution's allocation for the next fiscal year shall be reduced by the amount returned. The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing this paragraph would be contrary to the interest of the program.]

[(e) FILING DEADLINES.—The Secretary shall, from time to time, set dates before which institutions must file applications for allocations under this part.]

SEC. 442. ALLOCATION OF FUNDS.

(a) RESERVATIONS.—

(1) RESERVATION FOR IMPROVED INSTITUTIONS.—

(A) AMOUNT OF RESERVATION FOR IMPROVED INSTITUTIONS.—*For a fiscal year in which the amount appropriated under section 441(b) exceeds \$700,000,000, the Secretary shall—*

(i) reserve the lesser of—

(I) *an amount equal to 20 percent of the amount by which the amount appropriated under section 441(b) exceeds \$700,000,000; or*

(II) *\$150,000,000; and*

(ii) *allocate the amount reserved under clause (i) to each improved institution in an amount—*

(I) *that bears the same proportion to the amount reserved under clause (i) as the total amount of all Federal Pell Grant funds awarded at the improved institution for the second preceding fiscal year bears to the total amount of Federal Pell Grant funds awarded at improved institutions participating under this part for the second preceding fiscal year; and*

(II) *is not—*

(aa) *less than \$10,000; or*

(bb) *greater than \$1,500,000.*

(B) IMPROVED INSTITUTION DESCRIBED.—*For purposes of this paragraph, an improved institution is an institution that, on the date the Secretary makes an allocation under subparagraph (A)(ii) is, with respect to—*

(i) *the completion rate or graduation rate of Federal Pell Grant recipients at the institution, in the top 10 percent of—*

(I) if the institution is an institution described in any of clauses (iv) through (ix) of section 132(d)(1)(B), all such institutions participating under this part for the preceding fiscal year; or

(II) if the institution is an institution described in any of clauses (i) through (iii) of section 132(d)(1)(B), all such institutions participating under this part for the preceding fiscal year; or

(ii) the improvement of the completion rate or graduation rate between the preceding fiscal year and such date, in the top 10 percent of the institutions described in clause (i).

(C) **COMPLETION RATE OR GRADUATION RATE.**—For purposes of determining the completion rate or graduation rate under this section, a Federal Pell Grant recipient shall be counted as a completer or graduate if, within the normal time for completion of or graduation from the program, the student has completed or graduated from the program, or enrolled in any program of an institution participating in any program under this title for which the prior program provides substantial preparation.

(D) **REALLOCATION OF RETURNED AMOUNT.**—If an institution returns to the Secretary any portion of the sums allocated to such institution under this paragraph for any fiscal year, the Secretary shall reallocate such excess to improved institutions on the same basis as under subparagraph (A)(ii)(I).

(2) **RESERVATION FOR WORK COLLEGES.**—From the amounts appropriated under section 441(b), the Secretary shall reserve to carry out section 448 such amounts as may be necessary for fiscal year 2019 and each of the 5 succeeding fiscal years.

(b) **ALLOCATION FORMULA FOR FISCAL YEARS 2019 THROUGH 2023.**—

(1) **IN GENERAL.**—From the amount appropriated under section 441(b) for a fiscal year and remaining after the Secretary reserves funds under subsection (a), the Secretary shall allocate to each institution—

(A) for fiscal year 2019, an amount equal to the greater of—

(i) 90 percent of the amount the institution received under this subsection and subsection (a) for fiscal year 2018, as such subsections were in effect with respect to such fiscal year (in this subparagraph referred to as the “2018 amount for the institution”); or

(ii) the fair share amount for the institution determined under subsection (d);

(B) for fiscal year 2020, an amount equal to the greater of—

(i) 80 percent of the 2018 amount for the institution;

or

(ii) the fair share amount for the institution determined under subsection (d);

(C) for fiscal year 2021, an amount equal to the greater of—

- (i) 60 percent of the 2018 amount for the institution;
- or
- (ii) the fair share amount for the institution determined under subsection (d);
- (D) for fiscal year 2022, an amount equal to the greater of—
- (i) 40 percent of the 2018 amount for the institution;
- or
- (ii) the fair share amount for the institution determined under subsection (d); and
- (E) for fiscal year 2023, an amount equal to the greater of—
- (i) 20 percent of the 2018 amount for the institution;
- or
- (ii) the fair share amount for the institution determined under subsection (d).

(2) RATABLE REDUCTION.—

(A) IN GENERAL.—If the amount appropriated under section 441(b) for a fiscal year and remaining after the Secretary reserves funds under subsection (a) is less than the amount required to be allocated to the institutions under this subsection, then the amount of the allocation to each institution shall be ratably reduced.

(B) ADDITIONAL APPROPRIATIONS.—If the amounts allocated to each institution are ratably reduced under subparagraph (A) for a fiscal year and additional amounts are appropriated for such fiscal year, the amount allocated to each institution from the additional amounts shall be increased on the same basis as the amounts under subparagraph (A) were reduced (until each institution receives the amount required to be allocated under this subsection).

(c) ALLOCATION FORMULA FOR FISCAL YEAR 2024 AND EACH SUCCEEDING FISCAL YEAR.—From the amount appropriated under section 441(b) for fiscal year 2024 and each succeeding fiscal year and remaining after the Secretary reserves funds under subsection (a), the Secretary shall allocate to each institution the fair share amount for the institution determined under subsection (d).

(d) DETERMINATION OF FAIR SHARE AMOUNT.—

(1) IN GENERAL.—The fair share amount for an institution for a fiscal year shall be equal to the sum of the following:

(A) An amount equal to 50 percent of the amount that bears the same proportion to the available appropriated amount for such fiscal year as the total amount of Federal Pell Grant funds disbursed at the institution for the preceding fiscal year bears to the total amount of Federal Pell Grant funds awarded at all institutions participating under this part for the preceding fiscal year.

(B) An amount equal to 50 percent of the amount that bears the same proportion to the available appropriated amount for such fiscal year as the total amount of the undergraduate student need at the institution for the preceding fiscal year bears to the total amount of undergraduate student need at all institutions participating under this part for the preceding fiscal year.

(2) DEFINITIONS.—In this subsection:

(A) *AVAILABLE APPROPRIATED AMOUNT.*—The term “available appropriated amount” means—

- (i) the amount appropriated under section 441(b) for a fiscal year, minus
- (ii) the amounts reserved under subsection (a) for such fiscal year.

(B) *AVERAGE COST OF ATTENDANCE.*—The term “average cost of attendance” means, with respect to an institution, the average of the attendance costs for a fiscal year for students which shall include—

(i) tuition and fees, computed on the basis of information reported by the institution to the Secretary, which shall include—

(I) total revenue received by the institution from undergraduate tuition and fees for the second year preceding the year for which it is applying for an allocation; and

(II) the institution’s enrollment for such second preceding year;

(ii) standard living expenses equal to 150 percent of the difference between the income protection allowance for a family of 5 with 1 in college and the income protection allowance for a family of 6 with 1 in college for a single independent student; and

(iii) books and supplies, in an amount not exceeding \$800.

(C) *UNDERGRADUATE STUDENT NEED.*—The term “undergraduate student need” means, with respect to an undergraduate student for a fiscal year, the lesser of the following:

(i) The total of the amount equal to (except the amount computed by this clause shall not be less than zero)—

(I) the average cost of attendance for the fiscal year, minus

(II) the total amount of each such undergraduate student’s expected family contribution (computed in accordance with part F of this title) for the preceding fiscal year.

(ii) \$12,500.

(e) *RETURN OF SURPLUS ALLOCATED FUNDS.*—

(1) *AMOUNT RETURNED.*—If an institution returns more than 10 percent of its allocation under subsection (d), the institution’s allocation for the next fiscal year shall be reduced by the amount returned.

(2) *WAIVER.*—The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing this paragraph would be contrary to the interest of the program.

(f) *FILING DEADLINES.*—The Secretary shall, from time to time, set dates before which institutions must file applications for allocations under this part.

SEC. 443. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.

(a) *AGREEMENTS REQUIRED.*—The Secretary is authorized to enter into agreements with institutions of higher education under

which the Secretary will make grants to such institutions to assist in the operation of work-study programs as provided in this part.

(b) CONTENTS OF AGREEMENTS.—An agreement entered into pursuant to this section shall—

(1) provide for the operation by the institution of a program for the **[part-time]** employment, including internships, practica, or research assistantships as determined by the Secretary, of its students in work for the institution itself, work in community service or work in the public interest for a Federal, State, or local public agency or private nonprofit organization under an arrangement between the institution and such agency or organization, and such work—

(A) will not result in the displacement of employed workers or impair existing contracts for services;

(B) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee;

(C) does not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship; and

(D) will not pay any wage to students employed under this subpart that is less than the current Federal minimum wage as mandated by section 6(a) of the Fair Labor Standards Act of 1938;

(2) provide that funds granted an institution of higher education, pursuant to this section, may be used only to make payments to students participating in work-study programs, **[except that—]**

[(A) for fiscal year 2000 and succeeding fiscal years, an institution shall use at least 7 percent of the total amount of funds granted to such institution under this section for such fiscal year to compensate students employed in community service, and shall ensure that not less than 1 tutoring or family literacy project (as described in subsection (d)) is included in meeting the requirement of this subparagraph, except that the Secretary may waive this subparagraph if the Secretary determines that enforcing this subparagraph would cause hardship for students at the institution; and]

[(B) [an institution may use a portion] except that an institution may use a portion of the sums granted to it to meet administrative expenses in accordance with section 489 of this Act, may use a portion of the sums granted to it to meet the cost of a job location and development program in accordance with section 446 of this part, and may transfer funds in accordance with the provisions of section 488 of this Act;

(3) provide that in the selection of students for employment under such work-study program, only *undergraduate* students who demonstrate financial need in accordance with part F and meet the requirements of section 484 will be assisted, except that if the institution's grant under this part is directly or indirectly based in part on the financial need demonstrated by stu-

dents who are (A) attending the institution on less than a full-time basis, or (B) independent students, a reasonable portion of the grant shall be made available to such students;

(4) provide that for a student employed in a work-study program under this part, at the time income derived from any need-based employment is in excess of the determination of the amount of such student's need by more than \$~~300~~ 500, continued employment shall not be subsidized with funds appropriated under this part;

(5) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement ~~shall not exceed 75 percent~~ *shall not exceed 75 percent in the first year after the date of the enactment of PROSPER Act, 65 percent in the first succeeding fiscal year, 60 percent in the second succeeding fiscal year, 55 percent in the third succeeding fiscal year, and 50 percent each succeeding fiscal year, except that—*

~~[(A) the Federal share may exceed 75 percent, but not exceed 90 percent, if, consistent with regulations of the Secretary—~~

~~[(i) the student is employed at a nonprofit private organization or a government agency that—~~

~~[(I) is not a part of, and is not owned, operated, or controlled by, or under common ownership, operation, or control with, the institution;~~

~~[(II) is selected by the institution on an individual case-by-case basis for such student; and~~

~~[(III) would otherwise be unable to afford the costs of such employment; and~~

~~[(ii) not more than 10 percent of the students compensated through the institution's grant under this part during the academic year are employed in positions for which the Federal share exceeds 75 percent; and]~~

~~[(B)] (A) the Federal share may exceed ~~75~~ 50 percent if the Secretary determines, pursuant to regulations promulgated by the Secretary establishing objective criteria for such determinations, that a Federal share in excess of such amounts is required in furtherance of the purpose of this part~~]; and~~~~

~~(B) the Federal share may equal 100 percent with respect to funds received under section 442(a)(1)(A);~~

(6) include provisions to make employment under such work-study program reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof;

(7) provide assurances that employment made available from funds under this part will, to the maximum extent practicable, complement and reinforce the educational program or vocational goals of each student receiving assistance under this part;

(8) provide assurances, in the case of each proprietary institution, that students attending the proprietary institution receiving assistance under this part who are employed by the institution may be employed in jobs—

(A) that are only on campus and that—

(i) to the maximum extent practicable, complement and reinforce the education programs or **【vocational】** *career goals* of such students; and

(ii) furnish student services that are directly related to the student's education, as determined by the Secretary pursuant to regulations, except that no student shall be employed in any position that would involve the solicitation of other potential students to enroll in the school; or

(B) in **【community service】** *work-based learning* in accordance with paragraph (2)(A) of this subsection;

(9) provide assurances that employment made available from funds under this part may be used to support programs for supportive services to students with disabilities;

(10) provide assurances that the institution will inform all eligible students of the opportunity to perform community service, and will consult with local nonprofit, governmental, and community-based organizations to identify such opportunities**【; and】**;

(11) include such other reasonable provisions as the Secretary shall deem necessary or appropriate to carry out the purpose of this part**【.】**;

(12) *provide assurances that the institution will collect data from students and employers such that the employment made available from funds under this part will, to the maximum extent practicable, complement and reinforce the educational goals or career goals of each student receiving assistance under this part; and*

(13) *provide assurances that if the institution receives funds under section 442(a)(1)(A), such institution shall—*

(A) *use such funds to compensate students participating in the work-study program; and*

(B) *prioritize the awarding of such funds to students—*

(i) *who demonstrate exceptional need; or*

(ii) *who are employed in work-based learning opportunities through the work-study program.*

(c) PRIVATE SECTOR EMPLOYMENT AGREEMENT.—As part of its agreement described in subsection (b), an institution of higher education may, at its option, enter into an additional agreement with the Secretary which shall—

(1) provide for the operation by the institution of a **【program of part-time employment】** *program—*

(A) *of employment of its students in work for a private for-profit organization under an arrangement between the institution and such organization that complies with the requirements of subparagraphs (A) through (D) of subsection (b)(1) and subsection (b)(3); or*

(B) *of full-time employment of its cooperative education students in work for a private for-profit organization under an arrangement between the institution and such organization that complies with the requirements of subparagraphs (A) through (D) of subsection (b)(1) of this section and subsection (b)(4) of this section;*

【(2) provide that the institution will use not more than 25 percent of the funds made available to such institution under

this part for any fiscal year for the operation of the program described in paragraph (1);

[(3)] (2) provide that, notwithstanding subsection (b)(5), the Federal share of the compensation of students employed in such program will not exceed 60 percent for academic years 1987–1988 and 1988–1989, 55 percent for academic year 1989–1990, and 50 percent for academic year 1990–1991 and succeeding academic years, and that the non-Federal share of such compensation will be provided by the private for-profit organization in which the student is employed;

[(4)] (3) provide that jobs under the work study program will be academically relevant *and complement and reinforce the educational goals or career goals of each student receiving assistance under this part*, to the maximum extent practicable; and

[(5)] (4) provide that the for-profit organization will not use funds made available under this part to pay any employee who would otherwise be employed by the organization.

(d) TUTORING AND LITERACY ACTIVITIES.—

(1) USE OF FUNDS.—[In any academic year to which subsection (b)(2)(A) applies, an institution shall ensure that] *An institution may use the funds granted to such institution under this section [are used] in accordance with such subsection to compensate (including compensation for time spent in training and travel directly related to tutoring in reading and family literacy activities) students—*

(A) employed as reading tutors for children who are pre-school age or are in elementary school; or

(B) employed in family literacy projects.

(2) PRIORITY FOR SCHOOLS.—To the extent practicable, an institution shall—

(A) give priority to the employment of students in the provision of tutoring in reading in schools that are participating in a reading reform project that—

(i) is designed to train teachers how to teach reading on the basis of scientifically-based research on reading; and

(ii) is funded under the Elementary and Secondary Education Act of 1965; and

(B) ensure that any student compensated with the funds described in paragraph (1) who is employed in a school participating in a reading reform project described in subparagraph (A) receives training from the employing school in the instructional practices used by the school.

(3) FEDERAL SHARE.—The Federal share of the compensation of work-study students compensated under this subsection [may exceed 75 percent] *shall not exceed 50 percent.*

(e) CIVIC EDUCATION AND PARTICIPATION ACTIVITIES.—

(1) USE OF FUNDS.—Funds granted to an institution under this section may be used to compensate (including compensation for time spent in training and travel directly related to civic education and participation activities) students employed in projects that—

(A) teach civics in schools;

(B) raise awareness of government functions or resources; or

(C) increase civic participation.

(2) PRIORITY FOR SCHOOLS.—To the extent practicable, an institution shall—

(A) give priority to the employment of students participating in projects that educate or train the public about evacuation, emergency response, and injury prevention strategies relating to natural disasters, acts of terrorism, and other emergency situations; and

(B) ensure that any student compensated with the funds described in paragraph (1) receives appropriate training to carry out the educational services required.

(3) FEDERAL SHARE.—The Federal share of the compensation of work-study students compensated under this subsection may exceed 75 percent.

* * * * *

SEC. 445. FLEXIBLE USE OF FUNDS.

(a) CARRY-OVER AUTHORITY.—(1) Of the sums granted to an eligible institution under this part for any fiscal year, 10 percent may, at the discretion of the institution, remain available for expenditure during the succeeding fiscal year to carry out programs under this part.

(2) Any of the sums so granted to an institution for a fiscal year which are not needed by that institution to operate work-study programs during that fiscal year, and which it does not wish to use during the next fiscal year as authorized in the preceding sentence, shall remain available to the Secretary for making grants under section 443 to other institutions [in the same State] *described under section 442(a)(1)(B)* until the close of the second fiscal year next succeeding the fiscal year for which such funds were appropriated.

(3) *In addition to the carry-over sums authorized under paragraph (1) of this section, an institution may permit a student who completed the previous award period to continue to earn unearned portions of the student's work-study award from that previous year if—*

(A) *any reduction in the student's need upon which the award was based is accounted for in the remaining portion; and*

(B) *the student is currently employed in a work-based learning position.*

(b) CARRY-BACK AUTHORITY.—(1) Up to 10 percent of the sums the Secretary determines an eligible institution may receive from funds which have been appropriated for a fiscal year may be used by the Secretary to make grants under this part to such institution for expenditure during the fiscal year preceding the fiscal year for which the sums were appropriated.

(2) An eligible institution may make payments to students of wages earned after the end of the academic year, but prior to the beginning of the succeeding fiscal year, from such succeeding fiscal year's appropriations.

(c) FLEXIBLE USE OF FUNDS.—An eligible institution may, upon the request of a student, make payments to the student under this part by crediting the student's account at the institution or by

making a direct deposit to the student's account at a depository institution. An eligible institution may only credit the student's account at the institution for (1) tuition and fees, (2) in the case of institutionally owned housing, room and board, and (3) other institutionally provided goods and services.

(d) FLEXIBILITY IN THE EVENT OF A MAJOR DISASTER.—

(1) IN GENERAL.—In the event of a major disaster, an eligible institution located in any area affected by such major disaster, as determined by the Secretary, may make payments under this part to disaster-affected students, for the period of time (not to exceed one academic year) in which the disaster-affected students were prevented from fulfilling the students' work-study obligations as described in paragraph (2)(A)(iii), as follows:

(A) Payments may be made under this part to disaster-affected students in an amount equal to or less than the amount of wages such students would have been paid under this part had the students been able to complete the work obligation necessary to receive work study funds.

(B) Payments shall not be made to any student who was not eligible for work study or was not completing the work obligation necessary to receive work study funds under this part prior to the occurrence of the major disaster.

(C) Any payments made to disaster-affected students under this subsection shall meet the matching requirements of section 443, unless such matching requirements are waived by the Secretary.

(2) DEFINITIONS.—In this subsection:

(A) The term "disaster-affected student" means a student enrolled at an eligible institution who—

(i) received a work-study award under this section for the academic year during which a major disaster occurred;

(ii) earned Federal work-study wages from such eligible institution for such academic year;

(iii) was prevented from fulfilling the student's work-study obligation for all or part of such academic year due to such major disaster; and

(iv) was unable to be reassigned to another work-study job.

(B) The term "major disaster" has the meaning given such term in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)).

SEC. 446. JOB LOCATION AND DEVELOPMENT PROGRAMS.

(a) AGREEMENTS REQUIRED.—(1) The Secretary is authorized to enter into agreements with eligible institutions under which such institution may use not more than **[10 percent or \$75,000]** *20 percent or \$150,000* of its allotment under section 442, whichever is less, to establish or expand a program under which such institution, separately or in combination with other eligible institutions, locates and develops jobs**[, including community service jobs,]** for currently enrolled students.

(2) Jobs located and developed under this section shall be jobs that are suitable to the scheduling and other needs of such stu-

dents and that, to the maximum extent practicable, complement and reinforce the educational programs or **[vocational]** *career* goals of such students.

(3) An institution may use a portion of the funds expended under this section to identify and expand opportunities for apprenticeships for students and to assist employers in developing jobs that are part of apprenticeship programs.

(b) CONTENTS OF AGREEMENTS.—Agreements under subsection (a) shall—

(1) provide that the Federal share of the cost of any program under this section will not exceed 80 percent of such cost;

[(2)] provide satisfactory assurance that funds available under this section will not be used to locate or develop jobs at an eligible institution;

(2) provide satisfactory assurance that the institution will prioritize placing students with the lowest expected family contribution and Federal work-study recipients in jobs located and developed under this section;

(3) provide a satisfactory assurance that the institution will locate and develop work-based learning opportunities through the job location development programs;

[(3)] *(4) provide satisfactory assurance that funds available under this section will not be used for the location or development of jobs for students to obtain upon graduation, but rather for the location and development of jobs available to students during and between periods of attendance at such institution;*

[(4)] *(5) provide satisfactory assurance that the location or development of jobs pursuant to programs assisted under this section will not result in the displacement of employed workers or impair existing contracts for services;*

[(5)] *(6) provide satisfactory assurance that Federal funds used for the purpose of this section can realistically be expected to help generate student wages exceeding, in the aggregate, the amount of such funds, and that if such funds are used to contract with another organization, appropriate performance standards are part of such contract; and*

[(6)] *(7) provide that the institution will submit to the Secretary an annual report on the uses made of funds provided under this section and an evaluation of the effectiveness of such program in benefiting the students of such institution[.], including—*

(A) the number of students employed in work-based learning opportunities through such program;

(B) the number of students demonstrating exceptional need and employed in a work-study program through such program; and

(C) the number of students demonstrating exceptional need and employed in work-based learning opportunities through such program.

[SEC. 447. ADDITIONAL FUNDS TO CONDUCT COMMUNITY SERVICE WORK-STUDY PROGRAMS.

[(a) COMMUNITY SERVICE-LEARNING.—Each institution participating under this part may use up to 10 percent of the funds made available under section 489(a) and attributable to the amount of

the institution's expenditures under this part to conduct that institution's program of community service-learning, including—

【(1) development of mechanisms to assure the academic quality of the student experience,

【(2) assuring student access to educational resources, expertise, and supervision necessary to achieve community service objectives, and

【(3) collaboration with public and private nonprofit agencies, and programs assisted under the National and Community Service Act of 1990 in the planning, development, and administration of such programs.

【(b) OFF-CAMPUS COMMUNITY SERVICE.—

【(1) GRANTS AUTHORIZED.—In addition to funds made available under section 443(b)(2)(A), the Secretary is authorized to award grants to institutions participating under this part to supplement off-campus community service employment.

【(2) USE OF FUNDS.—An institution shall ensure that funds granted to such institution under this subsection are used in accordance with section 443(b)(2)(A) to recruit and compensate students (including compensation for time spent in training and for travel directly related to such community service).

【(3) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to applications that support postsecondary students assisting with early childhood education activities and activities in preparation for emergencies and natural disasters.

【(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.】

SEC. 448. WORK COLLEGES.

(a) PURPOSE.—The purpose of this section is to recognize, encourage, and promote the use of comprehensive work-learning-service programs as a valuable educational approach when it is an integral part of the institution's educational program and a part of a financial plan which decreases reliance on grants and loans.

(b) SOURCE AND USE FUNDS.—

(1) SOURCE OF FUNDS.—In addition to the sums 【appropriated】 *allocated* under subsection (f), funds allocated to the institution under part C 【and part E】 of this title may be transferred for use under this section to provide flexibility in strengthening the self-help-through-work element in financial aid packaging.

(2) ACTIVITIES AUTHORIZED.—From the sums 【appropriated pursuant to】 *allocated under* subsection (f), and from the funds available under paragraph (1), eligible institutions may, following approval of an application under subsection (c) by the Secretary—

(A) support the educational costs of qualified students through self-help payments or credits provided under the work-learning-service program of the institution within the limits of part F of this title;

(B) promote the work-learning-service experience as a tool of postsecondary education, financial self-help and community service-learning opportunities;

- (C) carry out activities described in section 443 or 446;
- (D) be used for the administration, development and assessment of comprehensive work-learning-service programs, including—
- (i) community-based work-learning-service alternatives that expand opportunities for community service and career-related work; and
 - (ii) alternatives that develop sound citizenship, encourage student persistence, and make optimum use of assistance under this part in education and student development;
- (E) coordinate and carry out joint projects and activities to promote work service learning; and
- (F) carry out a comprehensive, longitudinal study of student academic progress and academic and career outcomes, relative to student self-sufficiency in financing their higher education, repayment of student loans, continued community service, kind and quality of service performed, and career choice and community service selected after graduation.
- (c) APPLICATION.—Each eligible institution may submit an application for funds [authorized by] *allocated under* subsection (f) to use funds under subsection (b)(1) at such time and in such manner as the Secretary, by regulation, may reasonably require.
- (d) MATCH REQUIRED.—Funds made available to work-colleges pursuant to this section shall be matched on a dollar-for-dollar basis from non-Federal sources.
- (e) DEFINITIONS.—For the purpose of this section—
- (1) the term “work college” means an eligible institution that—
 - (A) has been a public or private nonprofit, four-year, degree-granting institution with a commitment to community service;
 - (B) has operated a comprehensive work-learning-service program for at least two years;
 - (C) requires students, including at least one-half of all students who are enrolled on a full-time basis, to participate in a comprehensive work-learning-service program for at least five hours each week, or at least 80 hours during each period of enrollment, except summer school, unless the student is engaged in an institutionally organized or approved study abroad or externship program[; and];
 - (D) provides students participating in the comprehensive work-learning-service program with the opportunity to contribute to their education and to the welfare of the community as a whole; and
 - (E) *has administered Federal work-study for at least 2 years; and*
 - (2) the term “comprehensive student work-learning-service program” means a student work-learning-service program that—
 - (A) is an integral and stated part of the institution’s educational philosophy and program;
 - (B) requires participation of all resident students for enrollment and graduation;

(C) includes learning objectives, evaluation, and a record of work performance as part of the student's college record;

(D) provides programmatic leadership by college personnel at levels comparable to traditional academic programs;

(E) recognizes the educational role of work-learning-service supervisors; and

(F) includes consequences for nonperformance or failure in the work-learning-service program similar to the consequences for failure in the regular academic program.

[(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.]

(f) ALLOCATION OF RESERVED FUNDS.—

(1) IN GENERAL.—*Subject to paragraph (2), from the amount reserved under section 442(a)(2) for a fiscal year to carry out this section, the Secretary shall allocate to each work college that submits an application under subsection (c) an amount equal to the amount that bears the same proportion to the amount appropriated for such fiscal year as the number of students eligible for employment under a work-study program under this part who are enrolled at the work college bears to the total number of students eligible for employment under a work-study program under this part who are enrolled at all work colleges.*

(2) REALLOTMENT OF UNMATCHED FUNDS.—*If a work college is unable to match funds received under paragraph (1) in accordance with subsection (d), any unmatched funds shall be returned to the Secretary and the Secretary shall reallocate such funds on the same basis as funds are allocated under paragraph (1).*

PART D—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

SEC. 451. PROGRAM AUTHORITY.

(a) IN GENERAL.—There are hereby made available, in accordance with the provisions of this part, such sums as may be necessary (1) to make loans to all eligible students (and the eligible parents of such students) in attendance at participating institutions of higher education selected by the Secretary, to enable such students to pursue their courses of study at such institutions during the period beginning July 1, 1994; and (2) for purchasing loans under section 459A. Loans made under this part shall be made by participating institutions, or consortia thereof, that have agreements with the Secretary to originate loans, or by alternative originators designated by the Secretary to make loans for students in attendance at participating institutions (and their parents). *No sums may be expended after September 30, 2024, with respect to loans under this part for which the first disbursement is after such date.*

(b) DESIGNATION.—

(1) PROGRAM.—The program established under this part shall be referred to as the “William D. Ford Federal Direct Loan Program”.

(2) DIRECT LOANS.—Notwithstanding any other provision of this part, loans made to borrowers under this part that, except as otherwise specified in this part, have the same terms, conditions, and benefits as loans made to borrowers under section 428, shall be known as “Federal Direct Stafford/Ford Loans”.

(c) TERMINATION OF AUTHORITY TO MAKE NEW LOANS.—Notwithstanding subsection (a) or any other provision of law—

(1) no new loans may be made under this part after September 30, 2024; and

(2) no funds are authorized to be appropriated, or may be expended, under this Act, or any other Act to make loans under this part for which the first disbursement is after September 30, 2024,

except as expressly authorized by an Act of Congress enacted after the date of enactment of the PROSPER Act.

(d) STUDENT ELIGIBILITY BEGINNING WITH AWARD YEAR 2019.—

(1) NEW BORROWERS.—No loan may be made under this part to a new borrower for which the first disbursement is after June 30, 2019.

(2) BORROWERS WITH OUTSTANDING BALANCES.—Subject to paragraph (3), with respect to a borrower who, as of July 1, 2019, has an outstanding balance of principal or interest owing on a loan made under this part, such borrower may—

(A) in the case of such a loan made to the borrower for enrollment in a program of undergraduate education, borrow loans made under this part for any program of undergraduate education through the close of September 30, 2024;

(B) in the case of such a loan made to the borrower for enrollment in a program of graduate or professional education, borrow loans made under this part for any program of graduate or professional education through the close of September 30, 2024; and

(C) in the case of such a loan made to the borrower on behalf of a dependent student for the student’s enrollment in a program of undergraduate education, borrow loans made under this part on behalf of such student through the close of September 30, 2024.

(3) LOSS OF ELIGIBILITY.—A borrower described in paragraph (2) who borrows a loan made under part E for which the first disbursement is made on or after July 1, 2019, shall lose the borrower’s eligibility to borrow loans made under this part in accordance with paragraph (2).

* * * * *

SEC. 453. SELECTION OF INSTITUTIONS FOR PARTICIPATION AND ORIGINATION.

(a) GENERAL AUTHORITY.—The Secretary shall enter into agreements pursuant to section 454(a) with institutions of higher education to participate in the direct student loan program under this part, and agreements pursuant to section 454(b) with institutions of higher education, or consortia thereof, to originate loans in such

program, for academic years beginning on or after July 1, 1994. Alternative origination services, through which an entity other than the participating institution at which the student is in attendance originates the loan, shall be provided by the Secretary, through 1 or more contracts under section 456(b) or such other means as the Secretary may provide, for students attending participating institutions that do not originate direct student loans under this part. Such agreements for the academic year 1994–1995 shall, to the extent feasible, be entered into not later than January 1, 1994.

(b) SELECTION CRITERIA.—

(1) APPLICATION.—Each institution of higher education desiring to participate in the direct student loan program under this part shall submit an application satisfactory to the Secretary containing such information and assurances as the Secretary may require.

(2) SELECTION PROCEDURE.—The Secretary shall select institutions for participation in the direct student loan program under this part, and shall enter into agreements with such institutions under section 454(a), from among those institutions that submit the applications described in paragraph (1), and meet such other eligibility requirements as the Secretary shall prescribe.

(c) SELECTION CRITERIA FOR ORIGINATION.—

(1) IN GENERAL.—The Secretary may enter into a supplemental agreement with an institution (or a consortium of such institutions) that—

- (A) has an agreement under subsection 454(a);
- (B) desires to originate loans under this part; and
- (C) meets the criteria described in paragraph (2).

(2) SELECTION CRITERIA.—The Secretary may approve an institution to originate loans only if such institution—

(A) is not on the reimbursement system of payment for any of the programs under subpart 1 or 3 of part A, part C, or part E, *as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a)*, of this title;

(B) is not overdue on program or financial reports or audits required under this title;

(C) is not subject to an emergency action, or a limitation, suspension, or termination under section 428(b)(1)(T), 432(h), or 487(c);

(D) in the opinion of the Secretary, has not had severe performance deficiencies for any of the programs under this title, including such deficiencies demonstrated by audits or program reviews submitted or conducted during the 5 calendar years immediately preceding the date of application;

(E) provides an assurance that such institution has no delinquent outstanding debts to the Federal Government, unless such debts are being repaid under or in accordance with a repayment arrangement satisfactory to the Federal Government, or the Secretary in the Secretary's discretion determines that the existence or amount of such debts has not been finally determined by the cognizant Federal agency; and

(F) meets such other criteria as the Secretary may establish to protect the financial interest of the United States and to promote the purposes of this part.

(d) ELIGIBLE INSTITUTIONS.—The Secretary may not select an institution of higher education for participation under this section unless such institution is an eligible institution under section 435(a).

(e) CONSORTIA.—Subject to such requirements as the Secretary may prescribe, eligible institutions of higher education (as determined under subsection (d)) with agreements under section 454(a) may apply to the Secretary as consortia to originate loans under this part for students in attendance at such institutions. Each such institution shall be required to meet the requirements of subsection (c) with respect to loan origination.

* * * * *

SEC. 455. TERMS AND CONDITIONS OF LOANS.

(a) IN GENERAL.—

(1) PARALLEL TERMS, CONDITIONS, BENEFITS, AND AMOUNTS.—Unless otherwise specified in this part, loans made to borrowers under this part, *and first disbursed before October 1, 2024*, shall have the same terms, conditions, and benefits, and be available in the same amounts, as loans made to borrowers, and first disbursed on June 30, 2010, under sections 428, 428B, 428C, and 428H of this title.

(2) DESIGNATION OF LOANS.—Loans made to borrowers under this part, *and first disbursed before October 1, 2024*, that, except as otherwise specified in this part, have the same terms, conditions, and benefits as loans made to borrowers under—

(A) section 428 shall be known as “Federal Direct Stafford Loans”;

(B) section 428B shall be known as “Federal Direct PLUS Loans”;

(C) section 428C shall be known as “Federal Direct Consolidation Loans”; and

(D) section 428H shall be known as “Federal Direct Unsubsidized Stafford Loans”.

(3) TERMINATION OF AUTHORITY TO MAKE INTEREST SUBSIDIZED LOANS TO GRADUATE AND PROFESSIONAL STUDENTS.—

(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any provision of this part or part B, for any period of instruction beginning on or after July 1, 2012—

(i) a graduate or professional student shall not be eligible to receive a Federal Direct Stafford loan under this part; and

(ii) the maximum annual amount of Federal Direct Unsubsidized Stafford loans such a student may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the maximum annual amount for such student determined under section 428H, plus an amount equal to the amount of Federal Direct Stafford loans the student would have received in the absence of this subparagraph.

(B) EXCEPTION.—Subparagraph (A) shall not apply to an individual enrolled in course work specified in paragraph (3)(B) or (4)(B) of section 484(b).

(b) INTEREST RATE.—

(1) RATES FOR FDSL AND FDUSL.—For Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

(B) 3.1 percent,

except that such rate shall not exceed 8.25 percent.

(2) IN SCHOOL AND GRACE PERIOD RULES.—(A) Notwithstanding the provisions of paragraph (1), but subject to paragraph (3), with respect to any Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan for which the first disbursement is made on or after July 1, 1995, the applicable rate of interest for interest which accrues—

(i) prior to the beginning of the repayment period of the loan; or

(ii) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall not exceed the rate determined under subparagraph (B).

(B) For the purpose of subparagraph (A), the rate determined under this subparagraph shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction prior to such June 1; plus

(ii) 2.5 percent,

except that such rate shall not exceed 8.25 percent.

(3) OUT-YEAR RULE.—Notwithstanding paragraphs (1) and (2), for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made on or after July 1, 1998, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

(A) the bond equivalent rate of the security with a comparable maturity as established by the Secretary; plus

(B) 1.0 percent,

except that such rate shall not exceed 8.25 percent.

(4) RATES FOR FDPLUS.—

(A)(i) For Federal Direct PLUS Loans for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on or before June 30, 2001, be determined on the preceding June 1 and be equal to—

(I) the bond equivalent rate of 52-week Treasury bills auctioned at final auction held prior to such June 1; plus

(II) 3.1 percent,
except that such rate shall not exceed 9 percent.

(ii) For any 12-month period beginning on July 1 of 2001 or any succeeding year, the applicable rate of interest determined under this subparagraph shall be determined on the preceding June 26 and be equal to—

(I) the weekly average 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the last calendar week ending on or before such June 26; plus

(II) 3.1 percent,
except that such rate shall not exceed 9 percent.

(B) For Federal Direct PLUS loans made on or after July 1, 1998, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

(i) the bond equivalent rate of the security with a comparable maturity as established by the Secretary; plus

(ii) 2.1 percent,
except that such rate shall not exceed 9 percent.

(5) TEMPORARY INTEREST RATE PROVISION.—

(A) RATES FOR FDSL AND FDUSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 1998, and before October 1, 1998, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

(ii) 2.3 percent,
except that such rate shall not exceed 8.25 percent.

(B) IN SCHOOL AND GRACE PERIOD RULES.—Notwithstanding the preceding paragraphs of this subsection, with respect to any Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan for which the first disbursement is made on or after July 1, 1998, and before October 1, 1998, the applicable rate of interest for interest which accrues—

(i) prior to the beginning of the repayment period of the loan; or

(ii) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall be determined under subparagraph (A) by substituting “1.7 percent” for “2.3 percent”.

(C) PLUS LOANS.—Notwithstanding the preceding paragraphs of this subsection, with respect to Federal Direct PLUS Loan for which the first disbursement is made on or after July 1, 1998, and before October 1, 1998, the applicable rate of interest shall be determined under subparagraph (A)—

- (i) by substituting “3.1 percent” for “2.3 percent”;
- and
- (ii) by substituting “9.0 percent” for “8.25 percent”.

(6) INTEREST RATE PROVISION FOR NEW LOANS ON OR AFTER OCTOBER 1, 1998, AND BEFORE JULY 1, 2006.—

(A) RATES FOR FDSL AND FDUSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after October 1, 1998, and before July 1, 2006, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

- (i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus
- (ii) 2.3 percent,

except that such rate shall not exceed 8.25 percent.

(B) IN SCHOOL AND GRACE PERIOD RULES.—Notwithstanding the preceding paragraphs of this subsection, with respect to any Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan for which the first disbursement is made on or after October 1, 1998, and before July 1, 2006, the applicable rate of interest for interest which accrues—

- (i) prior to the beginning of the repayment period of the loan; or
- (ii) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall be determined under subparagraph (A) by substituting “1.7 percent” for “2.3 percent”.

(C) PLUS LOANS.—Notwithstanding the preceding paragraphs of this subsection, with respect to Federal Direct PLUS Loan for which the first disbursement is made on or after October 1, 1998, and before July 1, 2006, the applicable rate of interest shall be determined under subparagraph (A)—

- (i) by substituting “3.1 percent” for “2.3 percent”;
- and
- (ii) by substituting “9.0 percent” for “8.25 percent”.

(D) CONSOLIDATION LOANS.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation loan for which the application is received on or after February 1, 1999, and before July 1, 2006, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

- (i) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent; or
- (ii) 8.25 percent.

(E) TEMPORARY RULES FOR CONSOLIDATION LOANS.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation loan for which the appli-

cation is received on or after October 1, 1998, and before February 1, 1999, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to—

(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

(ii) 2.3 percent,

except that such rate shall not exceed 8.25 percent.

(7) INTEREST RATE PROVISION FOR NEW LOANS ON OR AFTER JULY 1, 2006 AND BEFORE JULY 1, 2013.—

(A) RATES FOR FDSL AND FDUSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 2006, and before July 1, 2013, the applicable rate of interest shall be 6.8 percent on the unpaid principal balance of the loan.

(B) PLUS LOANS.—Notwithstanding the preceding paragraphs of this subsection, with respect to any Federal Direct PLUS loan for which the first disbursement is made on or after July 1, 2006, and before July 1, 2013, the applicable rate of interest shall be 7.9 percent on the unpaid principal balance of the loan.

(C) CONSOLIDATION LOANS.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation loan for which the application is received on or after July 1, 2006, and before July 1, 2013, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

(i) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent; or

(ii) 8.25 percent.

(D) REDUCED RATES FOR UNDERGRADUATE FDSL.—Notwithstanding the preceding paragraphs of this subsection and subparagraph (A) of this paragraph, for Federal Direct Stafford Loans made to undergraduate students for which the first disbursement is made on or after July 1, 2006, and before July 1, 2013, the applicable rate of interest shall be as follows:

(i) For a loan for which the first disbursement is made on or after July 1, 2006, and before July 1, 2008, 6.8 percent on the unpaid principal balance of the loan.

(ii) For a loan for which the first disbursement is made on or after July 1, 2008, and before July 1, 2009, 6.0 percent on the unpaid principal balance of the loan.

(iii) For a loan for which the first disbursement is made on or after July 1, 2009, and before July 1, 2010, 5.6 percent on the unpaid principal balance of the loan.

(iv) For a loan for which the first disbursement is made on or after July 1, 2010, and before July 1, 2011,

4.5 percent on the unpaid principal balance of the loan.

(v) For a loan for which the first disbursement is made on or after July 1, 2011, and before July 1, 2013, 3.4 percent on the unpaid principal balance of the loan.

(8) INTEREST RATE PROVISIONS FOR NEW LOANS ON OR AFTER JULY 1, 2013 AND BEFORE OCTOBER 1, 2024.—

(A) RATES FOR UNDERGRADUATE FDSL AND FDUSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans issued to undergraduate students, for which the first disbursement is made on or after July 1, 2013, *and before October 1, 2024*, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

(i) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 2.05 percent; or

(ii) 8.25 percent.

(B) RATES FOR GRADUATE AND PROFESSIONAL FDUSL.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Unsubsidized Stafford Loans issued to graduate or professional students, for which the first disbursement is made on or after July 1, 2013, *and before October 1, 2024*, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

(i) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 3.6 percent; or

(ii) 9.5 percent.

(C) PLUS LOANS.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct PLUS Loans, for which the first disbursement is made on or after July 1, 2013, *and before October 1, 2024*, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

(i) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 4.6 percent; or

(ii) 10.5 percent.

(D) CONSOLIDATION LOANS.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation Loan for which the application is received on or after July 1, 2013, *and before October 1, 2024*, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent.

(E) CONSULTATION.—The Secretary shall determine the applicable rate of interest under this paragraph after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.

(F) RATE.—The applicable rate of interest determined under this paragraph for a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct PLUS Loan shall be fixed for the period of the loan.

(9) REPAYMENT INCENTIVES.—

(A)(A) INCENTIVES FOR LOANS DISBURSED BEFORE JULY 1, 2012.—Notwithstanding any other provision of this part with respect to loans for which the first disbursement of principal is made before July 1, 2012,, the Secretary is authorized to prescribe by regulation such reductions in the interest or origination fee rate paid by a borrower of a loan made under this part as the Secretary determines appropriate to encourage on-time repayment of the loan. Such reductions may be offered only if the Secretary determines the reductions are cost neutral and in the best financial interest of the Federal Government. Any increase in subsidy costs resulting from such reductions shall be completely offset by corresponding savings in funds available for the William D. Ford Federal Direct Loan Program in that fiscal year from section 458 and other administrative accounts.

(B) ACCOUNTABILITY.—Prior to publishing regulations proposing repayment incentives with respect to loans for which the first disbursement of principal is made before July 1, 2012, the Secretary shall ensure the cost neutrality of such reductions. The Secretary shall not prescribe such regulations in final form unless an official report from the Director of the Office of Management and Budget to the Secretary and a comparable report from the Director of the Congressional Budget Office to the Congress each certify that any such reductions will be completely cost neutral. Such reports shall be transmitted to the authorizing committees not less than 60 days prior to the publication of regulations proposing such reductions.

(C) NO REPAYMENT INCENTIVES FOR NEW LOANS DISBURSED ON OR AFTER JULY 1, 2012.—Notwithstanding any other provision of this part, the Secretary is prohibited from authorizing or providing any repayment incentive not otherwise authorized under this part to encourage on-time repayment of a loan under this part for which the first disbursement of principal is made on or after July 1, 2012, including any reduction in the interest or origination fee rate paid by a borrower of such a loan, except that the Secretary may provide for an interest rate reduction for a borrower who agrees to have payments on such a loan automatically electronically debited from a bank account.

(10) PUBLICATION.—The Secretary shall determine the applicable rates of interest under this subsection after consultation with the Secretary of the Treasury and shall publish such rate

in the Federal Register as soon as practicable after the date of determination.

(c) LOAN FEE.—

(1) IN GENERAL.—The Secretary shall charge the borrower of a loan made under this part an origination fee of 4.0 percent of the principal amount of loan.

(2) SUBSEQUENT REDUCTION.—Paragraph (1) shall be applied to loans made under this part, other than Federal Direct Consolidation loans and Federal Direct PLUS loans—

(A) by substituting “3.0 percent” for “4.0 percent” with respect to loans for which the first disbursement of principal is made on or after the date of enactment of the Higher Education Reconciliation Act of 2005, and before July 1, 2007;

(B) by substituting “2.5 percent” for “4.0 percent” with respect to loans for which the first disbursement of principal is made on or after July 1, 2007, and before July 1, 2008;

(C) by substituting “2.0 percent” for “4.0 percent” with respect to loans for which the first disbursement of principal is made on or after July 1, 2008, and before July 1, 2009;

(D) by substituting “1.5 percent” for “4.0 percent” with respect to loans for which the first disbursement of principal is made on or after July 1, 2009, and before July 1, 2010; and

(E) by substituting “1.0 percent” for “4.0 percent” with respect to loans for which the first disbursement of principal is made on or after July 1, 2010, *and before October 1, 2024*.

(d) REPAYMENT PLANS.—

(1) DESIGN AND SELECTION.—Consistent with criteria established by the Secretary, the Secretary shall offer a borrower of a loan made under this part a variety of plans for repayment of such loan, including principal and interest on the loan. The borrower shall be entitled to accelerate, without penalty, repayment on the borrower’s loans under this part. The borrower may choose—

(A) a standard repayment plan, consistent with subsection (a)(1) of this section and with section 428(b)(9)(A)(i);

(B) a graduated repayment plan, consistent with section 428(b)(9)(A)(ii);

(C) an extended repayment plan, consistent with section 428(b)(9)(A)(iv), except that the borrower shall annually repay a minimum amount determined by the Secretary in accordance with section 428(b)(1)(L);

(D) an income contingent repayment plan, with varying annual repayment amounts based on the income of the borrower, paid over an extended period of time prescribed by the Secretary, not to exceed 25 years, except that the plan described in this subparagraph shall not be available to the borrower of a Federal Direct PLUS loan made on behalf of a dependent student; and

(E) beginning on July 1, 2009, an income-based repayment plan that enables borrowers who have a partial financial hardship to make a lower monthly payment in accordance with section 493C, except that the plan described in this subparagraph shall not be available to the borrower of a Federal Direct PLUS Loan made on behalf of a dependent student or a Federal Direct Consolidation Loan, if the proceeds of such loan were used to discharge the liability on such Federal Direct PLUS Loan or a loan under section 428B made on behalf of a dependent student.

(2) SELECTION BY SECRETARY.—If a borrower of a loan made under this part does not select a repayment plan described in paragraph (1), the Secretary may provide the borrower with a repayment plan described in subparagraph (A), (B), or (C) of paragraph (1).

(3) CHANGES IN SELECTIONS.—The borrower of a loan made under this part may change the borrower's selection of a repayment plan under paragraph (1), or the Secretary's selection of a plan for the borrower under paragraph (2), as the case may be, under such terms and conditions as may be established by the Secretary.

(4) ALTERNATIVE REPAYMENT PLANS.—The Secretary may provide, on a case by case basis, an alternative repayment plan to a borrower of a loan made under this part who demonstrates to the satisfaction of the Secretary that the terms and conditions of the repayment plans available under paragraph (1) are not adequate to accommodate the borrower's exceptional circumstances. In designing such alternative repayment plans, the Secretary shall ensure that such plans do not exceed the cost to the Federal Government, as determined on the basis of the present value of future payments by such borrowers, of loans made using the plans available under paragraph (1).

(5) REPAYMENT AFTER DEFAULT.—The Secretary may require any borrower who has defaulted on a loan made under this part to—

(A) pay all reasonable collection costs associated with such loan; and

(B) repay the loan pursuant to an income contingent repayment plan.

(e) INCOME CONTINGENT REPAYMENT.—

(1) INFORMATION AND PROCEDURES.—The Secretary may obtain such information as is reasonably necessary regarding the income of a borrower (and the borrower's spouse, if applicable) of a loan made under this part that is, or may be, repaid pursuant to income contingent repayment, for the purpose of determining the annual repayment obligation of the borrower. Returns and return information (as defined in section 6103 of the Internal Revenue Code of 1986) may be obtained under the preceding sentence only to the extent authorized by section 6103(l)(13) of such Code. The Secretary shall establish procedures for determining the borrower's repayment obligation on that loan for such year, and such other procedures as are necessary to implement effectively income contingent repayment.

(2) REPAYMENT BASED ON ADJUSTED GROSS INCOME.—A repayment schedule for a loan made under this part and repaid

pursuant to income contingent repayment shall be based on the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the borrower or, if the borrower is married and files a Federal income tax return jointly with the borrower's spouse, on the adjusted gross income of the borrower and the borrower's spouse.

(3) **ADDITIONAL DOCUMENTS.**—A borrower who chooses, or is required, to repay a loan made under this part pursuant to income contingent repayment, and for whom adjusted gross income is unavailable or does not reasonably reflect the borrower's current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine an appropriate repayment schedule.

(4) **REPAYMENT SCHEDULES.**—Income contingent repayment schedules shall be established by regulations promulgated by the Secretary and shall require payments that vary in relation to the appropriate portion of the annual income of the borrower (and the borrower's spouse, if applicable) as determined by the Secretary.

(5) **CALCULATION OF BALANCE DUE.**—The balance due on a loan made under this part that is repaid pursuant to income contingent repayment shall equal the unpaid principal amount of the loan, any accrued interest, and any fees, such as late charges, assessed on such loan. The Secretary may promulgate regulations limiting the amount of interest that may be capitalized on such loan, and the timing of any such capitalization.

(6) **NOTIFICATION TO BORROWERS.**—The Secretary shall establish procedures under which a borrower of a loan made under this part who chooses or is required to repay such loan pursuant to income contingent repayment is notified of the terms and conditions of such plan, including notification of such borrower—

(A) that the Internal Revenue Service will disclose to the Secretary tax return information as authorized under section 6103(l)(13) of the Internal Revenue Code of 1986; and

(B) that if a borrower considers that special circumstances, such as a loss of employment by the borrower or the borrower's spouse, warrant an adjustment in the borrower's loan repayment as determined using the information described in subparagraph (A), or the alternative documentation described in paragraph (3), the borrower may contact the Secretary, who shall determine whether such adjustment is appropriate, in accordance with criteria established by the Secretary.

(7) **MAXIMUM REPAYMENT PERIOD.**—In calculating the extended period of time for which an income contingent repayment plan under this subsection may be in effect for a borrower, the Secretary shall include all time periods during which a borrower of loans under part B, part D, or part E, *as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a)*—

(A) is not in default on any loan that is included in the income contingent repayment plan; and

(B)(i) is in deferment due to an economic hardship described in section 435(o);

(ii) makes monthly payments under paragraph (1) or (6) of section 493C(b);

(iii) makes monthly payments of not less than the monthly amount calculated under section 428(b)(9)(A)(i) or subsection (d)(1)(A), based on a 10-year repayment period, when the borrower first made the election described in section 493C(b)(1);

(iv) makes payments of not less than the payments required under a standard repayment plan under section 428(b)(9)(A)(i) or subsection (d)(1)(A) with a repayment period of 10 years; or

(v) makes payments under an income contingent repayment plan under subsection (d)(1)(D).

(f) DEFERMENT.—

(1) EFFECT ON PRINCIPAL AND INTEREST.—A borrower of a loan made under this part who meets the requirements described in paragraph (2) shall be eligible for a deferment, during which periodic installments of principal need not be paid, and interest—

(A) shall not accrue, in the case of a—

(i) Federal Direct Stafford Loan; or

(ii) a Federal Direct Consolidation Loan that consolidated only Federal Direct Stafford Loans, or a combination of such loans and Federal Stafford Loans for which the student borrower received an interest subsidy under section 428; or

(B) shall accrue and be capitalized or paid by the borrower, in the case of a Federal Direct PLUS Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct Consolidation Loan not described in subparagraph (A)(ii).

(2) ELIGIBILITY.—A borrower of a loan made under this part shall be eligible for a deferment during any period—

(A) during which the borrower—

(i) is carrying at least one-half the normal full-time work load for the course of study that the borrower is pursuing, as determined by the eligible institution (as such term is defined in section 435(a)) the borrower is attending; or

(ii) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for individuals with disabilities approved by the Secretary, except that no borrower shall be eligible for a deferment under this subparagraph, or a loan made under this part (other than a Federal Direct PLUS Loan or a Federal Direct Consolidation Loan), while serving in a medical internship or residency program;

(B) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment;

(C) during which the borrower—

(i) is serving on active duty during a war or other military operation or national emergency; or

(ii) is performing qualifying National Guard duty during a war or other military operation or national emergency, and for the 180-day period following the demobilization date for the service described in clause (i) or (ii); or

(D) not in excess of 3 years during which the Secretary determines, in accordance with regulations prescribed under section 435(o), that the borrower has experienced or will experience an economic hardship.

(3) DEFINITION OF BORROWER.—For the purpose of this subsection, the term “borrower” means an individual who is a new borrower on the date such individual applies for a loan under this part for which the first disbursement is made on or after July 1, 1993.

(4) DEFERMENTS FOR PREVIOUS PART B LOAN BORROWERS.—A borrower of a loan made under this part, who at the time such individual applies for such loan, has an outstanding balance of principal or interest owing on any loan made, insured, or guaranteed under part B of title IV prior to July 1, 1993, shall be eligible for a deferment under section 427(a)(2)(C) or section 428(b)(1)(M) as such sections were in effect on July 22, 1992.

(g) FEDERAL DIRECT CONSOLIDATION LOANS.—A borrower of a loan made under this part, *and first disbursed before October 1, 2024*, may consolidate such loan with the loans described in section 428C(a)(4), including any loan made under part B and first disbursed before July 1, 2010. To be eligible for a consolidation loan under this part, a borrower shall meet the eligibility criteria set forth in section 428C(a)(3). *The authority to make consolidation loans under this subsection expires at the close of September 30, 2024. No loan may be made under this subsection for which the disbursement is on or after October 1, 2024.*

[(h) BORROWER DEFENSES.—Notwithstanding any other provision of State or Federal law, the Secretary shall specify in regulations which acts or omissions of an institution of higher education a borrower may assert as a defense to repayment of a loan made under this part, except that in no event may a borrower recover from the Secretary, in any action arising from or relating to a loan made under this part, an amount in excess of the amount such borrower has repaid on such loan.]

(h) BORROWER DEFENSES.—

(1) IN GENERAL.—*In any proceeding to collect on a loan made under this part on or after July 1, 2018 to a borrower, the Secretary shall abide by the following:*

(A) *In no event may the borrower recover any amount previously collected or be freed of amounts owed to the Secretary without submitting an individually-filed application for approval.*

(B) *In no event may the borrower recover amounts previously collected by the Secretary, in any action arising from or relating to a loan made under this part, in an amount in excess of the amount that has been paid by the borrower on such loan.*

(C) *In no event may the borrower submit an application to recover amounts previously collected by the Secretary later than 3 years after the misconduct or breach of con-*

tract on behalf of the institution takes place that gives rise to the borrower to assert a defense to repayment of the loan.

(D) In no event may anyone other than an administrative law judge or its equivalent preside over hearings of any kind related to applications submitted under this subsection.

(E) In no event may the Secretary approve or disapprove the borrower's application under this subsection without allowing for the equal consideration of evidence and arguments presented by a representative on behalf of the student or students and a representative on behalf of the institution, if either such party makes a request.

(F) In no event may the Secretary withhold from an institution any materials, facts, or evidence used when processing an application submitted by the borrower.

(G) In no event may the borrower of a loan made, insured or guaranteed under this title (other than a loan made under this part or a Federal ONE Loan) submit an application under this subsection without consolidating the loans of the borrower into a Federal ONE Consolidation Loan.

(2) BORROWER APPLICATION REQUIREMENTS.—

(A) IN GENERAL.—An application submitted by a borrower under this subsection to the Secretary shall—

(i) certify the borrower's receipt of loan proceeds, in whole or in part, to attend the named institution of higher education;

(ii) provide evidence described in subparagraph (B) that supports a borrower defense to repayment of the loan; and

(iii) indicate whether the borrower has made a claim with respect to the information underlying the borrower defense with any third party and, if so, the amount of any payment received by the borrower or credited to the borrower's loan obligation.

(B) EVIDENCE.—The borrower has a borrower defense if—

(i) the borrower, whether as an individual or as a member of a class, or a governmental agency, has obtained against the institution of higher education a nondefault, favorable contested judgment based on State or Federal law in a court or administrative tribunal of competent jurisdiction;

(ii) the institution of higher education for which the borrower received the loan made under this part failed to perform its obligations under the terms of a contract with the student; or

(iii) the institution of higher education described in clause (ii) or any of its representatives engaged directly in marketing, recruitment or admissions activities, or any other institution of higher education, organization, or person with whom such institution has an agreement to provide educational programs, or to provide marketing, advertising, recruiting, or admissions services, made a substantial misrepresentation within the meaning of section 487(c)(3)(B)(i)(II) that the borrower

reasonably relied on when the borrower decided to attend, or to continue attending, such institution.

(3) SECRETARIAL NOTIFICATION REQUIREMENTS.—

(A) RECEIPT OF APPLICATION.—*Upon receipt of a borrower's application, the Secretary—*

(i) if the borrower is not in default on the loan for which a borrower defense has been asserted, shall grant a forbearance and notify the borrower of the option to decline the forbearance and to continue making payments on the loan;

(ii) if the borrower is in default on the loan for which a borrower defense has been asserted—

(I) shall suspend collection activity on the loan until the Secretary issues a decision on the borrower's claim;

(II) shall notify the borrower of the suspension of collection activity and explain that collection activity will resume if the Secretary determines that the borrower does not qualify for a full discharge; and

(III) shall notify the borrower of the option to continue making payments under a rehabilitation agreement or other repayment agreement on the defaulted loan; and

(iii) shall to the extent possible, notify the institutions against which the application is filed, which notification shall include—

(I) the reasons that the application has been filed; and

(II) the amount of relief requested.

(B) APPROVED APPLICATION.—*If a borrower's application is approved in full or in part, the Secretary shall—*

(i) notify the borrower and the institution in writing of that determination and of the relief provided; and

(ii) inform the institution of the opportunity to request a one-time reconsideration of the claim in the application if new evidence that was not previously provided can be identified.

(C) APPLICATION NOT APPROVED.—*If a borrower's application is not approved in full or in part, the Secretary—*

(i) shall notify the borrower and the institution of the reasons for the denial, the evidence that was relied upon, any portion of the loan that is due and payable to the Secretary, whether the Secretary will reimburse any amounts previously collected, and inform the borrower that the loan will return to its status prior to the borrower's submission of the application; and

(ii) shall inform the borrower of the opportunity to request a one-time reconsideration of the claim in the application if new evidence that was not previously provided can be identified.

(D) CONSOLIDATION.—*During a proceeding for an individual borrower, the Secretary may consolidate individually-filed applications that have common facts and claims and resolve the borrowers' borrower defense claims for faster processing.*

(E) *NEW EVIDENCE DEFINED.*—For purposes of this paragraph, the term “new evidence” means relevant evidence that the borrower or the institution did not previously provide and that was not identified in the final decision as evidence that was relied upon for the final decision. If accepted for reconsideration by the Secretary, the Secretary shall follow the procedure under this paragraph.

(F) *NOTIFICATION.*—After a borrower submits an application, the Secretary shall include in the notification to the borrower—

(i) the actions, including deadlines and document requests, that will be taken by the Secretary when processing an application by the borrower; and

(ii) that the final action by the Secretary shall be available for review under subchapter II of chapter 5, and chapter 7, of title 5, United States Code (commonly known as the “Administrative Procedure Act”).

(G) *TIMELY APPROVAL PROCESS.*—During a proceeding for an individual borrower, the Secretary shall process a submitted application and notify the borrower of the final determination in a manner that is timely and efficient.

(H) *REPORT.*—Not later than two years after the date of enactment of the PROSPER Act, the Secretary shall submit to the authorizing committees a report that includes—

(i) the established policies and procedures for processing applications;

(ii) the established policies and procedures for approving an application;

(iii) the established policies and procedures for denying an application;

(iv) the method used to calculate the amount and type of relief to be awarded to borrowers who submit an application; and

(v) the established timeframes for the policies and procedures identified in clauses (i) through (iii).

(4) *CALCULATION OF RELIEF.*—The Secretary shall determine the appropriate method for calculating the amount of relief to be awarded to a borrower as a result of a proceeding described in this subsection based on the materials, facts, and evidence presented during the proceeding.

(5) *FURTHER RELIEF.*—The Secretary may afford the borrower such further relief as the Secretary determines is appropriate under the circumstances, but which shall not exceed the following:

(A) Reimbursing the borrower for amounts paid toward the loan voluntarily or through enforced collection.

(B) Restoring eligibility for assistance under this title after determining that the borrower is not in default on the loan.

(C) Updating reports to consumer reporting agencies to which the Secretary previously made adverse credit reports with regard to a loan made under this part after July 1, 2018.

(6) *RECOVERY.*—

(A) *IN GENERAL.*—The Secretary may initiate an appropriate proceeding to require the institution of higher education whose act or omission resulted in the borrower's successful defense against repayment of a loan made under this part to pay to the Secretary the amount of the loan to which the defense applies not later than 3 years from the end of the last award year in which the student attended the institution.

(B) *NOTICE.*—The Secretary may initiate a proceeding to collect at any time if the institution received notice of the claim before the end of the later of the periods described in subparagraph (A). For purposes of this subparagraph, notice includes receipt of—

(i) actual notice from the borrower, from a representative of the borrower, or from the Department;

(ii) a class action complaint asserting relief for a class that may include the borrower; or

(iii) written notice, including a civil investigative demand or other written demand for information, from a Federal or State agency that has power to initiate an investigation into conduct of the institution of higher education relating to specific programs, periods, or practices that may have affected the borrower.

(i) *LOAN APPLICATION AND PROMISSORY NOTE.*—The common financial reporting form required in section 483(a)(1) shall constitute the application for loans made under this part (other than a Federal Direct PLUS loan). The Secretary shall develop, print, and distribute to participating institutions a standard promissory note and loan disclosure form.

(j) *LOAN DISBURSEMENT.*—

(1) *IN GENERAL.*—Proceeds of loans to students under this part shall be applied to the student's account for tuition and fees, and, in the case of institutionally owned housing, to room and board. Loan proceeds that remain after the application of the previous sentence shall be delivered to the borrower by check or other means that is payable to and requires the endorsement or other certification by such borrower.

(2) *PAYMENT PERIODS.*—The Secretary shall establish periods for the payments described in paragraph (1) in a manner consistent with payment of Federal Pell Grants under subpart 1 of part A of this title.

(k) *FISCAL CONTROL AND FUND ACCOUNTABILITY.*—

(1) *IN GENERAL.*—(A) An institution shall maintain financial records in a manner consistent with records maintained for other programs under this title.

(B) Except as otherwise required by regulations of the Secretary an institution may maintain loan funds under this part in the same account as other Federal student financial assistance.

(2) *PAYMENTS AND REFUNDS.*—Payments and refunds shall be reconciled in a manner consistent with the manner set forth for the submission of a payment summary report required of institutions participating in the program under subpart 1 of part A, except that nothing in this paragraph shall prevent such reconciliations on a monthly basis.

(3) TRANSACTION HISTORIES.—All transaction histories under this part shall be maintained using the same system designated by the Secretary for the provision of Federal Pell Grants under subpart 1 of part A of this title.

(1) ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.—

(1) AUTHORITY.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest on a loan made under this part to a member of the Armed Forces, the Secretary shall pay the interest on the loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest on such a loan out of any funds other than funds that have been so transferred.

(2) FORBEARANCE.—During the period in which the Secretary is making payments on a loan under paragraph (1), the Secretary shall grant the borrower forbearance, in the form of a temporary cessation of all payments on the loan other than the payments of interest on the loan that are made under that paragraph.

(m) REPAYMENT PLAN FOR PUBLIC SERVICE EMPLOYEES.—

(1) IN GENERAL.—The Secretary shall cancel the balance of interest and principal due, in accordance with paragraph (2), on any eligible Federal Direct Loan not in default for a borrower who—

(A) has made 120 monthly payments on the eligible Federal Direct Loan after October 1, 2007, pursuant to any one or a combination of the following—

(i) payments under an income-based repayment plan under section 493C;

(ii) payments under a standard repayment plan under subsection (d)(1)(A), based on a 10-year repayment period;

(iii) monthly payments under a repayment plan under subsection (d)(1) or (g) of not less than the monthly amount calculated under subsection (d)(1)(A), based on a 10-year repayment period; or

(iv) payments under an income contingent repayment plan under subsection (d)(1)(D); and

(B)(i) is employed in a public service job at the time of such forgiveness; and

(ii) has been employed in a public service job during the period in which the borrower makes each of the 120 payments described in subparagraph (A).

(2) LOAN CANCELLATION AMOUNT.—After the conclusion of the employment period described in paragraph (1), the Secretary shall cancel the obligation to repay the balance of principal and interest due as of the time of such cancellation, on the eligible Federal Direct Loans made to the borrower under this part.

(3) DEFINITIONS.—In this subsection:

(A) ELIGIBLE FEDERAL DIRECT LOAN.—The term “eligible Federal Direct Loan” means a Federal Direct Stafford Loan, Federal Direct PLUS Loan, or Federal Direct Un-

subsidized Stafford Loan, or a Federal Direct Consolidation Loan.

(B) PUBLIC SERVICE JOB.—The term “public service job” means—

(i) a full-time job in emergency management, government (excluding time served as a member of Congress), military service, public safety, law enforcement, public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations, as such terms are defined by the Bureau of Labor Statistics), public education, social work in a public child or family service agency, public interest law services (including prosecution or public defense or legal advocacy on behalf of low-income communities at a nonprofit organization), early childhood education (including licensed or regulated childcare, Head Start, and State funded pre-kindergarten), public service for individuals with disabilities, public service for the elderly, public library sciences, school-based library sciences and other school-based services, or at an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

(ii) teaching as a full-time faculty member at a Tribal College or University as defined in section 316(b) and other faculty teaching in high-needs subject areas or areas of shortage (including nurse faculty, foreign language faculty, and part-time faculty at community colleges), as determined by the Secretary.

(4) INELIGIBILITY FOR DOUBLE BENEFITS.—No borrower may, for the same service, receive a reduction of loan obligations under both this subsection and section 428J, 428K, 428L, or 460.

(n) IDENTITY FRAUD PROTECTION.—The Secretary shall take such steps as may be necessary to ensure that monthly Federal Direct Loan statements and other publications of the Department do not contain more than four digits of the Social Security number of any individual.

(o) NO ACCRUAL OF INTEREST FOR ACTIVE DUTY SERVICE MEMBERS.—

(1) IN GENERAL.—Notwithstanding any other provision of this part and in accordance with paragraphs (2) and (4), interest shall not accrue for an eligible military borrower on a loan made under this part for which the first disbursement is made on or after October 1, 2008, *and before October 1, 2024*.

(2) CONSOLIDATION LOANS.—In the case of any consolidation loan made under this part that is disbursed on or after October 1, 2008, *and before October 1, 2024*, interest shall not accrue pursuant to this subsection only on such portion of such loan as was used to repay a loan made under this part for which the first disbursement is made on or after October 1, 2008, *and before October 1, 2024*.

(3) ELIGIBLE MILITARY BORROWER.—In this subsection, the term “eligible military borrower” means an individual who—

(A)(i) is serving on active duty during a war or other military operation or national emergency; or

(ii) is performing qualifying National Guard duty during a war or other military operation or national emergency; and

(B) is serving in an area of hostilities in which service qualifies for special pay under section 310, or paragraph (1) or (3) of section 351(a), of title 37, United States Code.

(4) LIMITATION.—An individual who qualifies as an eligible military borrower under this subsection may receive the benefit of this subsection for not more than 60 months.

[(p) DISCLOSURES.—Each institution of higher education with which the Secretary has an agreement under section 453, and each contractor with which the Secretary has a contract under section 456, shall, with respect to loans under this part and in accordance with such regulations as the Secretary shall prescribe, comply with each of the requirements under section 433 that apply to a lender with respect to a loan under part B.]

(p) DISCLOSURES.—

(1) IN GENERAL.—*The Secretary shall, with respect to loans under this part and in accordance with such regulations as the Secretary shall prescribe, comply with each of the requirements under section 433 that apply to a lender with respect to a loan under part B.*

(2) PLAIN LANGUAGE DISCLOSURE FORM.—

(A) DEVELOPMENT AND ISSUANCE OF FORM.—*Not later than 24 months after the date of the enactment of this paragraph, the Secretary shall, based on consumer testing, develop and issue a model form to be known as the “Plain Language Disclosure Form” that shall be used by the Secretary to comply with paragraph (1).*

(B) FORMAT.—*The Secretary shall ensure that the Plain Language Disclosure Form—*

(i) *enables borrowers to easily identify the information required to be disclosed under section 433(a) with respect to a loan, with emphasis on the loan terms determined by the Secretary, based on consumer testing, to be critical to understanding the total costs of the loan and the estimated monthly repayment;*

(ii) *has a clear format and design, including easily readable font; and*

(iii) *is as succinct as practicable.*

(C) CONSULTATION.—*In developing Plain Language Disclosure Form, the Secretary shall, as appropriate, consult with—*

(i) *the Federal Reserve Board;*

(ii) *borrowers of loans under this part; and*

(iii) *other organizations involved in the provision of financial assistance to students, as identified by the Secretary.*

(3) ELECTRONIC SYSTEM FOR COMPLIANCE.—*In carrying out paragraph (2), Secretary shall develop and implement an electronic system to generate a Plain Language Disclosure Form for*

each borrower that includes personalized information about the borrower and the borrower's loans.

(4) *LIMIT ON LIABILITY.*—Nothing in this subsection shall be construed to create a private right of action against the Secretary with respect to the form or electronic system developed under this paragraph.

(5) *BORROWER SIGNATURE REQUIRED.*—Beginning after the issuance of the Plain Language Disclosure Form by the Secretary under paragraph (2), a loan may not be issued to a borrower under this part unless the borrower acknowledges to the Secretary, in writing (which may include an electronic signature), that the borrower has read the Plain Language Disclosure Form for the loan concerned.

(6) *CONSUMER TESTING DEFINED.*—In this subsection, the term “consumer testing” means the solicitation of feedback from individuals, including borrowers and prospective borrowers of loans under this part (as determined by the Secretary), about the usefulness of different methods of disclosing material terms of loans on the Plain Language Disclosure Form to maximize borrowers’ understanding of the terms and conditions of such loans.

(q) *ELIGIBILITY FOR, AND INTEREST CHARGES ON, FEDERAL DIRECT STAFFORD LOANS FOR NEW BORROWERS ON OR AFTER JULY 1, 2013.*—

(1) *IN GENERAL.*—Notwithstanding subsection (a) or any other provision of this title, any borrower who was a new borrower on or after July 1, 2013, shall not be eligible for a Federal Direct Stafford Loan if the period of time for which the borrower has received Federal Direct Stafford Loans, in the aggregate, exceeds the period of enrollment described in paragraph (3). Such borrower may still receive any Federal Direct Unsubsidized Stafford Loan for which such borrower is otherwise eligible.

(2) *ACCRUAL OF INTEREST ON FEDERAL DIRECT STAFFORD LOANS.*—Notwithstanding subsection (f)(1)(A) or any other provision of this title and beginning on the date upon which a borrower who is enrolled in a program of education or training (including a course of study or program described in paragraph (3)(B) or (4)(B) of section 484(b)) for which borrowers are otherwise eligible to receive Federal Direct Stafford Loans, becomes ineligible for such loan as a result of paragraph (1), interest on all Federal Direct Stafford Loans that were disbursed to such borrower on or after July 1, 2013, shall accrue. Such interest shall be paid or capitalized in the same manner as interest on a Federal Direct Unsubsidized Stafford Loan is paid or capitalized under section 428H(e)(2).

(3) *PERIOD OF ENROLLMENT.*—

(A) *IN GENERAL.*—The aggregate period of enrollment referred to in paragraph (1) shall not exceed the lesser of—

(i) a period equal to 150 percent of the published length of the educational program in which the student is enrolled; or

(ii) in the case of a borrower who was previously enrolled in one or more other educational programs that began on or after July 1, 2013, and subject to subpara-

graph (B), a period of time equal to the difference between—

(I) 150 percent of the published length of the longest educational program in which the borrower was, or is, enrolled; and

(II) any periods of enrollment in which the borrower received a Federal Direct Stafford Loan.

(B) REGULATIONS.—The Secretary shall specify in regulation—

(i) how the aggregate period described in subparagraph (A) shall be calculated with respect to a borrower who was or is enrolled on less than a full-time basis; and

(ii) how such aggregate period shall be calculated to include a course of study or program described in paragraph (3)(B) or (4)(B) of section 484(b), respectively.

[SEC. 456. CONTRACTS.

[(a) CONTRACTS FOR SUPPLIES AND SERVICES.—

[(1) IN GENERAL.—The Secretary shall, to the extent practicable, award contracts for origination, servicing, and collection described in subsection (b). In awarding such contracts, the Secretary shall ensure that such services and supplies are provided at competitive prices.

[(2) ENTITIES.—The entities with which the Secretary may enter into contracts shall include only entities which the Secretary determines are qualified to provide such services and supplies and will comply with the procedures applicable to the award of such contracts. In the case of awarding contracts for the origination, servicing, and collection of loans under this part, the Secretary shall enter into contracts only with entities that have extensive and relevant experience and demonstrated effectiveness. The entities with which the Secretary may enter into such contracts shall include, where practicable, agencies with agreements with the Secretary under sections 428(b) and (c), if such agencies meet the qualifications as determined by the Secretary under this subsection and if those agencies have such experience and demonstrated effectiveness. In awarding contracts to such State agencies, the Secretary shall, to the extent practicable and consistent with the purposes of this part, give special consideration to State agencies with a history of high quality performance to perform services for institutions of higher education within their State.

[(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as a limitation of the authority of any State agency to enter into an agreement for the purposes of this section as a member of a consortium of State agencies.

[(b) CONTRACTS FOR ORIGINATION, SERVICING, AND DATA SYSTEMS.—The Secretary may enter into contracts for—

[(1) the alternative origination of loans to students attending institutions of higher education with agreements to participate in the program under this part (or their parents), if such institutions do not have agreements with the Secretary under section 454(b);

[(2) the servicing and collection of loans made or purchased under this part;

[(3) the establishment and operation of 1 or more data systems for the maintenance of records on all loans made or purchased under this part; and

[(4) such other aspects of the direct student loan program as the Secretary determines are necessary to ensure the successful operation of the program.]

* * * * *

SEC. 458. FUNDS FOR ADMINISTRATIVE EXPENSES.

(a) ADMINISTRATIVE EXPENSES.—

(1) MANDATORY FUNDS FOR FISCAL YEAR 2006.—For fiscal year 2006, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for—

(A) administrative costs under this part and part B, including the costs of the direct student loan programs under this part; and

(B) account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsections (b) and (c),

not to exceed (from such funds not otherwise appropriated) \$820,000,000 in fiscal year 2006.

(3) AUTHORIZATION FOR ADMINISTRATIVE COSTS BEGINNING IN FISCAL YEARS [2007] 2019 THROUGH [2014] 2024.—For each of the fiscal years [2007] 2019 through [2014] 2024, there are authorized to be appropriated such sums as may be necessary for administrative costs under this [part and part B, including the costs of the direct student loan programs under this part] title.

(4) CONTINUING MANDATORY FUNDS FOR ACCOUNT MAINTENANCE FEES.—For each of the fiscal years 2007 through [2017] 2024, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b).

(5) ACCOUNT MAINTENANCE FEES.—Account maintenance fees under paragraph (3) shall be paid quarterly and deposited in the Agency Operating Fund established under section 422B.

(6) TECHNICAL ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION.—

(A) PROVISION OF ASSISTANCE.—The Secretary shall provide institutions of higher education participating, or seeking to participate, in the loan programs under this part with technical assistance in establishing and administering such programs.

(B) FUNDS.—There are authorized to be appropriated, and there are appropriated, to carry out this paragraph (in addition to any other amounts appropriated to carry out this paragraph and out of any money in the Treasury not otherwise appropriated), \$50,000,000 for fiscal year [2010] 2019.

(C) DEFINITION.—In this paragraph, the term “assistance” means the provision of technical support, [training]

education, materials, technical assistance, and financial assistance.

[(7) ADDITIONAL PAYMENTS.—

[(A) PROVISION OF ASSISTANCE.—The Secretary shall provide payments to loan servicers for retaining jobs at locations in the United States where such servicers were operating under part B on January 1, 2010.

[(B) FUNDS.—There are authorized to be appropriated, and there are appropriated, to carry out this paragraph (in addition to any other amounts appropriated to carry out this paragraph and out of any money in the Treasury not otherwise appropriated), \$25,000,000 for each of the fiscal years 2010 and 2011.]

[(8)] (7) CARRYOVER.—The Secretary may carry over funds made available under this section to a subsequent fiscal year.

(b) CALCULATION BASIS.—Account maintenance fees payable to guaranty agencies under subsection (a)(4) shall be calculated on the basis of 0.06 percent of the original principal amount of outstanding loans on which insurance was issued under part B.

(c) BUDGET JUSTIFICATION.—No funds may be expended under this section unless the Secretary includes in the Department of Education's annual budget justification to Congress a detailed description of the specific activities for which the funds made available by this section have been used in the prior and current years (if applicable), the activities and costs planned for the budget year, and the projection of activities and costs for each remaining year for which administrative expenses under this section are made available.

* * * * *

SEC. 460. LOAN CANCELLATION FOR TEACHERS.

(a) STATEMENT OF PURPOSE.—It is the purpose of this section to encourage individuals to enter and continue in the teaching profession.

(b) PROGRAM AUTHORIZED.—The Secretary shall carry out a program of canceling the obligation to repay a qualified loan amount in accordance with subsection (c) for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made under this part for any new borrower on or after October 1, 1998, who—

(1) has been employed as a full-time teacher for 5 consecutive complete school years—

(A) in a school or location [that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools or locations] *described in section 420N(b)(1)(B)*; and

(B) if employed as an elementary school or secondary school teacher, is highly qualified as defined in section 9101 of the Elementary and Secondary Education Act of 1965, or meets the requirements of subsection (g)(3); and

(2) is not in default on a loan for which the borrower seeks forgiveness.

(c) QUALIFIED LOAN AMOUNTS.—

(1) IN GENERAL.—The Secretary shall cancel not more than \$5,000 in the aggregate of the loan obligation on a Federal Direct Stafford Loan or a Federal Direct Unsubsidized Stafford

Loan that is outstanding after the completion of the fifth complete school year of teaching described in subsection (b)(1). No borrower may receive a reduction of loan obligations under both this section and section 428J.

(2) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a Federal Direct Consolidation Loan may be a qualified loan amount for the purposes of this subsection only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H, for a borrower who meets the requirements of subsection (b), as determined in accordance with regulations prescribed by the Secretary.

(3) ADDITIONAL AMOUNTS FOR TEACHERS IN MATHEMATICS, SCIENCE, OR SPECIAL EDUCATION.—Notwithstanding the amount specified in paragraph (1), the aggregate amount that the Secretary shall cancel under this section shall be not more than \$17,500 in the case of—

(A) a secondary school teacher—

(i) who meets the requirements of subsection (b); and

(ii) whose qualifying employment for purposes of such subsection is teaching mathematics or science on a full-time basis; and

(B) an elementary school or secondary school teacher—

(i) who meets the requirements of subsection (b);

(ii) whose qualifying employment for purposes of such subsection is as a special education teacher whose primary responsibility is to provide special education to children with disabilities (as those terms are defined in section 602 of the Individuals with Disabilities Education Act); and

(iii) who, as certified by the chief administrative officer of the public or non-profit private elementary school or secondary school in which the borrower is employed, or, in the case of a teacher who is employed by an educational service agency, as certified by the chief administrative officer of such agency, is teaching children with disabilities that correspond with the borrower's special education training and has demonstrated knowledge and teaching skills in the content areas of the elementary school or secondary school curriculum that the borrower is teaching.

(d) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

(e) CONSTRUCTION.—Nothing in this section shall be construed to authorize any refunding of any canceled loan.

(f) LIST.—If the list of schools in which a teacher may perform service pursuant to subsection (b) is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

(1) CONTINUED ELIGIBILITY.—Any teacher who performs service in a school that—

(A) meets the requirements of subsection (b)(1)(A) in any year during such service; and

(B) in a subsequent year fails to meet the requirements of such subsection, may continue to teach in such school and shall be eligible for loan cancellation pursuant to subsection (b).

(2) PREVENTION OF DOUBLE BENEFITS.—No borrower may, for the same voluntary service, receive a benefit under both this section and—

(A) section 428K;

(B) section 455(m); or

(C) subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

(3) PRIVATE SCHOOL TEACHERS.—An individual who is employed as a teacher in a private school and is exempt from State certification requirements (unless otherwise applicable under State law), may, in lieu of the requirement of subsection (b)(1)(B), have such employment treated as qualifying employment under this section if such individual is permitted to and does satisfy rigorous subject knowledge and skills tests by taking competency tests in the applicable grade levels and subject areas. For such purposes, the competency tests taken by such a private school teacher shall be recognized by 5 or more States for the purpose of fulfilling the highly qualified teacher requirements under section 9101 of the Elementary and Secondary Education Act of 1965, and the score achieved by such teacher on each test shall equal or exceed the average passing score of those 5 States.

(h) DEFINITION.—For the purpose of this section, the term “year” where applied to service as a teacher means an academic year as defined by the Secretary.

PART E—[FEDERAL PERKINS LOANS] **FEDERAL ONE LOAN PROGRAM**

[SEC. 461. APPROPRIATIONS AUTHORIZED.

[(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program assisting in the maintenance of funds at institutions of higher education for the making of loans to undergraduate students in need to pursue their courses of study in such institutions or while engaged in programs of study abroad approved for credit by such institutions. Loans made under this part shall be known as “Federal Perkins Loans”.

[(b) AUTHORITY TO MAKE LOANS.—

[(1) IN GENERAL.—

[(A) LOANS FOR NEW UNDERGRADUATE FEDERAL PERKINS LOAN BORROWERS.—Through September 30, 2017, an institution of higher education may make a loan under this part to an eligible undergraduate student who, on the date of disbursement of a loan made under this part, has no outstanding balance of principal or interest on a loan made under this part from the student loan fund established under this part by the institution, but only if the institution has awarded all Federal Direct Loans, as referenced under subparagraphs (A) and (D) of section 455(a)(2), for which such undergraduate student is eligible.

[(B) LOANS FOR CURRENT UNDERGRADUATE FEDERAL PERKINS LOAN BORROWERS.—Through September 30, 2017, an institution of higher education may make a loan under this part to an eligible undergraduate student who, on the date of disbursement of a loan made under this part, has an outstanding balance of principal or interest on a loan made under this part from the student loan fund established under this part by the institution, but only if the institution has awarded all Federal Direct Stafford Loans as referenced under section 455(a)(2)(A) for which such undergraduate student is eligible.

[(C) LOANS FOR CERTAIN GRADUATE BORROWERS.—Through September 30, 2016, with respect to an eligible graduate student who has received a loan made under this part prior to October 1, 2015, an institution of higher education that has most recently made such a loan to the student for an academic program at such institution may continue making loans under this part from the student loan fund established under this part by the institution to enable the student to continue or complete such academic program.

[(2) NO ADDITIONAL LOANS.—An institution of higher education shall not make loans under this part after September 30, 2017.

[(3) PROHIBITION ON ADDITIONAL APPROPRIATIONS.—No funds are authorized to be appropriated under this Act or any other Act to carry out the functions described in paragraph (1) for any fiscal year following fiscal year 2015.

[SEC. 462. ALLOCATION OF FUNDS.

[(a) ALLOCATION BASED ON PREVIOUS ALLOCATION.—(1) From the amount appropriated pursuant to section 461(b) for each fiscal year, the Secretary shall first allocate to each eligible institution an amount equal to—

[(A) 100 percent of the amount received under subsections (a) and (b) of this section for fiscal year 1999 (as such subsections were in effect with respect to allocations for such fiscal year), multiplied by

[(B) the institution's default penalty, as determined under subsection (e),

except that if the institution has a cohort default rate in excess of the applicable maximum cohort default rate under subsection (f), the institution may not receive an allocation under this paragraph.

[(2)(A) From the amount so appropriated, the Secretary shall next allocate to each eligible institution that began participation in the program under this part after fiscal year 1999 but is not a first or second time participant, an amount equal to the greater of—

[(i) \$5,000; or

[(ii) 100 percent of the amount received and expended under this part for the first year it participated in the program.

[(B) From the amount so appropriated, the Secretary shall next allocate to each eligible institution that began participation in the program under this part after fiscal year 1999 and is a first or second time participant, an amount equal to the greatest of—

[(i) \$5,000;

[(ii) an amount equal to (I) 90 percent of the amount received and used under this part in the second preceding fiscal year by eligible institutions offering comparable programs of instruction, divided by (II) the number of students enrolled at such comparable institutions in such fiscal year, multiplied by (III) the number of students enrolled at the applicant institution in such fiscal year; or

[(iii) 90 percent of the institution's allocation under this part for the preceding fiscal year.

[(C) Notwithstanding subparagraphs (A) and (B) of this paragraph, the Secretary shall allocate to each eligible institution which—

[(i) was a first-time participant in the program in fiscal year 2000 or any subsequent fiscal year, and

[(ii) received a larger amount under this subsection in the second year of participation,
an amount equal to 90 percent of the amount it received under this subsection in its second year of participation.

[(D) For any fiscal year after a fiscal year in which an institution receives an allocation under subparagraph (A), (B), or (C), the Secretary shall allocate to such institution an amount equal to the product of—

[(i) the amount determined under subparagraph (A), (B), or (C), multiplied by

[(ii) the institution's default penalty, as determined under subsection (e),

except that if the institution has a cohort default rate in excess of the applicable maximum cohort default rate under subsection (f), the institution may not receive an allocation under this paragraph.

[(3)(A) If the amount appropriated for any fiscal year is less than the amount required to be allocated to all institutions under paragraph (1) of this subsection, then the amount of the allocation to each such institution shall be ratably reduced.

[(B) If the amount appropriated for any fiscal year is more than the amount required to be allocated to all institutions under paragraph (1) but less than the amount required to be allocated to all institutions under paragraph (2), then—

[(i) the Secretary shall allot the amount required to be allocated to all institutions under paragraph (1), and

[(ii) the amount of the allocation to each institution under paragraph (2) shall be ratably reduced.

[(C) If additional amounts are appropriated for any such fiscal year, such reduced amounts shall be increased on the same basis as they were reduced (until the amount allocated equals the amount required to be allocated under paragraphs (1) and (2) of this subsection).

[(b) ALLOCATION OF EXCESS BASED ON SHARE OF EXCESS ELIGIBLE AMOUNTS.—(1) From the remainder of the amount appropriated pursuant to section 461(b) after making the allocations required by subsection (a) of this section, the Secretary shall allocate to each eligible institution which has an excess eligible amount an amount which bears the same ratio to such remainder as such excess eligible amount bears to the sum of the excess eligible amounts of all such eligible institutions (having such excess eligible amounts).

[(2) For any eligible institution, the excess eligible amount is the amount, if any, by which—

[(A)(i) that institution's eligible amount (as determined under paragraph (3)), divided by (ii) the sum of the eligible amounts of all institutions (as so determined), multiplied by (iii) the amount appropriated pursuant to section 461(b) for the fiscal year; exceeds

[(B) the amount required to be allocated to that institution under subsection (a),

except that an eligible institution which has a cohort default rate in excess of the applicable maximum cohort default rate under subsection (f) may not receive an allocation under this paragraph.

[(3) For any eligible institution, the eligible amount of that institution is equal to—

[(A) the amount of the institution's self-help need, as determined under subsection (c); minus

[(B) the institution's anticipated collections; multiplied by

[(C) the institution's default penalty, as determined under subsection (e);

except that, if the institution has a cohort default rate in excess of the applicable maximum cohort default rate under subsection (f), the eligible amount of that institution is zero.

[(c) DETERMINATION OF INSTITUTION'S SELF-HELP NEED.—(1) The amount of an institution's self-help need is equal to the sum of the self-help need of the institution's eligible undergraduate students and the self-help need of the institution's eligible graduate and professional students.

[(2) To determine the self-help need of an institution's eligible undergraduate students, the Secretary shall—

[(A) establish various income categories for dependent and independent undergraduate students;

[(B) establish an expected family contribution for each income category of dependent and independent undergraduate students, determined on the basis of the average expected family contribution (computed in accordance with part F of this title) of a representative sample within each income category for the second preceding fiscal year;

[(C) compute 25 percent of the average cost of attendance for all undergraduate students;

[(D) multiply the number of eligible dependent students in each income category by the lesser of—

[(i) 25 percent of the average cost of attendance for all undergraduate students determined under subparagraph (C); or

[(ii) the average cost of attendance for all undergraduate students minus the expected family contribution determined under subparagraph (B) for that income category, except that the amount computed by such subtraction shall not be less than zero;

[(E) add the amounts determined under subparagraph (D) for each income category of dependent students;

[(F) multiply the number of eligible independent students in each income category by the lesser of—

[(i) 25 percent of the average cost of attendance for all undergraduate students determined under subparagraph (C); or

[(ii) the average cost of attendance for all undergraduate students minus the expected family contribution determined under subparagraph (B) for that income category, except that the amount computed by such subtraction for any income category shall not be less than zero;

[(G) add the amounts determined under subparagraph (F) for each income category of independent students; and

[(H) add the amounts determined under subparagraphs (E) and (G).

[(3) To determine the self-help need of an institution's eligible graduate and professional students, the Secretary shall—

[(A) establish various income categories for graduate and professional students;

[(B) establish an expected family contribution for each income category of graduate and professional students, determined on the basis of the average expected family contribution (computed in accordance with part F of this title) of a representative sample within each income category for the second preceding fiscal year;

[(C) determine the average cost of attendance for all graduate and professional students;

[(D) subtract from the average cost of attendance for all graduate and professional students (determined under subparagraph (C)), the expected family contribution (determined under subparagraph (B)) for each income category, except that the amount computed by such subtraction for any income category shall not be less than zero;

[(E) multiply the amounts determined under subparagraph (D) by the number of eligible students in each category;

[(F) add the amounts determined under subparagraph (E) for each income category.

[(4)(A) For purposes of paragraphs (2) and (3), the term "average cost of attendance" means the average of the attendance costs for undergraduate students and for graduate and professional students, which shall include (i) tuition and fees determined in accordance with subparagraph (B), (ii) standard living expenses determined in accordance with subparagraph (C), and (iii) books and supplies determined in accordance with subparagraph (D).

[(B) The average undergraduate and graduate and professional tuition and fees described in subparagraph (A)(i) shall be computed on the basis of information reported by the institution to the Secretary, which shall include (i) total revenue received by the institution from undergraduate and graduate tuition and fees for the second year preceding the year for which it is applying for an allocation, and (ii) the institution's enrollment for such second preceding year.

[(C) The standard living expense described in subparagraph (A)(ii) is equal to 150 percent of the difference between the income protection allowance for a family of five with one in college and the income protection allowance for a family of six with one in college for a single independent student.

[(D) The allowance for books and supplies described in subparagraph (A)(iii) is equal to \$600.

[(d) ANTICIPATED COLLECTIONS.—(1) An institution's anticipated collections are equal to the amount which was collected during the second year preceding the beginning of the award period, multiplied by 1.21.

[(2) The Secretary shall establish an appeals process by which the anticipated collections required in paragraph (1) may be waived for institutions with low cohort default rates in the program assisted under this part.

[(e) DEFAULT PENALTIES.—

[(1) YEARS PRECEDING FISCAL YEAR 2000.—For any fiscal year preceding fiscal year 2000, any institution with a cohort default rate that—

[(A) equals or exceeds 15 percent, shall establish a default reduction plan pursuant to regulations prescribed by the Secretary, except that such plan shall not be required with respect to an institution that has a default rate of less than 20 percent and that has less than 100 students who have loans under this part in such academic year;

[(B) equals or exceeds 20 percent, but is less than 25 percent, shall have a default penalty of 0.9;

[(C) equals or exceeds 25 percent, but is less than 30 percent, shall have a default penalty of 0.7; and

[(D) equals or exceeds 30 percent shall have a default penalty of zero.

[(2) YEARS FOLLOWING FISCAL YEAR 2000.—For fiscal year 2000 and any succeeding fiscal year, any institution with a cohort default rate (as defined under subsection (g)) that equals or exceeds 25 percent shall have a default penalty of zero.

[(3) INELIGIBILITY.—

[(A) IN GENERAL.—For fiscal year 2000 and any succeeding fiscal year, any institution with a cohort default rate (as defined in subsection (g)) that equals or exceeds 50 percent for each of the 3 most recent years for which data are available shall not be eligible to participate in a program under this part for the fiscal year for which the determination is made and the 2 succeeding fiscal years, unless, within 30 days of receiving notification from the Secretary of the loss of eligibility under this paragraph, the institution appeals the loss of eligibility to the Secretary. The Secretary shall issue a decision on any such appeal within 45 days after the submission of the appeal. Such decision may permit the institution to continue to participate in a program under this part if—

[(i) the institution demonstrates to the satisfaction of the Secretary that the calculation of the institution's cohort default rate is not accurate, and that recalculation would reduce the institution's cohort default rate for any of the 3 fiscal years below 50 percent; or

[(ii) there are, in the judgment of the Secretary, such a small number of borrowers entering repayment that the application of this subparagraph would be inequitable.

[(B) CONTINUED PARTICIPATION.—During an appeal under subparagraph (A), the Secretary may permit the institution to continue to participate in a program under this part.

[(C) RETURN OF FUNDS.—Within 90 days after the date of any termination pursuant to subparagraph (A), or the conclusion of any appeal pursuant to subparagraph (B), whichever is later, the balance of the student loan fund established under this part by the institution that is the subject of the termination shall be distributed as follows:

[(i) The Secretary shall first be paid an amount which bears the same ratio to such balance (as of the date of such distribution) as the total amount of Federal capital contributions to such fund by the Secretary under this part bears to the sum of such Federal capital contributions and the capital contributions to such fund made by the institution.

[(ii) The remainder of such student loan fund shall be paid to the institution.

[(D) USE OF RETURNED FUNDS.—Any funds returned to the Secretary under this paragraph shall be reallocated to institutions of higher education pursuant to subsection (i).

[(E) DEFINITION.—For the purposes of subparagraph (A), the term “loss of eligibility” shall be defined as the mandatory liquidation of an institution’s student loan fund, and assignment of the institution’s outstanding loan portfolio to the Secretary.

[(f) APPLICABLE MAXIMUM COHORT DEFAULT RATE.—

[(1) AWARD YEARS PRIOR TO 2000.—For award years prior to award year 2000, the applicable maximum cohort default rate is 30 percent.

[(2) AWARD YEAR 2000 AND SUCCEEDING AWARD YEARS.—For award year 2000 and subsequent years, the applicable maximum cohort default rate is 25 percent.

[(g) DEFINITION OF COHORT DEFAULT RATE.—

[(1)(A) The term “cohort default rate” means, for any award year in which 30 or more current and former students at the institution enter repayment on loans under this part (received for attendance at the institution), the percentage of those current and former students who enter repayment on such loans (received for attendance at that institution) in that award year who default before the end of the following award year.

[(B) For any award year in which less than 30 of the institution’s current and former students enter repayment, the term “cohort default rate” means the percentage of such current and former students who entered repayment on such loans in any of the three most recent award years and who default before the end of the award year immediately following the year in which they entered repayment.

[(C) A loan on which a payment is made by the institution of higher education, its owner, agency, contractor, employee, or any other entity or individual affiliated with such institution, in order to avoid default by the borrower, is considered as in default for the purposes of this subsection.

[(D) In the case of a student who has attended and borrowed at more than one school, the student (and his or her subsequent repayment or default) is attributed to the school for attendance at which the student received the loan that entered repayment in the award year.

[(E) In determining the number of students who default before the end of such award year, the institution, in calculating the cohort default rate, shall exclude—

[(i) any loan on which the borrower has, after the time periods specified in paragraph (2)—

[(I) voluntarily made 6 consecutive payments;

[(II) voluntarily made all payments currently due;

[(III) repaid in full the amount due on the loan; or

[(IV) received a deferment or forbearance, based on a condition that began prior to such time periods;

[(ii) any loan which has, after the time periods specified in paragraph (2), been rehabilitated or canceled; and

[(iii) any other loan that the Secretary determines should be excluded from such determination.

[(F) The Secretary shall prescribe regulations designed to prevent an institution from evading the application to that institution of a cohort default rate determination under this subsection through the use of such measures as branching, consolidation, change of ownership or control or other means as determined by the Secretary.

[(2) For purposes of calculating the cohort default rate under this subsection, a loan shall be considered to be in default—

[(A) 240 days (in the case of a loan repayable monthly), or

[(B) 270 days (in the case of a loan repayable quarterly), after the borrower fails to make an installment payment when due or to comply with other terms of the promissory note.

[(h) FILING DEADLINES.—The Secretary shall, from time to time, set dates before which institutions must file applications for allocations under this part.

[(i) REALLOCATION OF EXCESS ALLOCATIONS.—

[(1) IN GENERAL.—(A) If an institution of higher education returns to the Secretary any portion of the sums allocated to such institution under this section for any fiscal year, the Secretary shall reallocate 80 percent of such returned portions to participating institutions in an amount not to exceed such participating institution's excess eligible amounts as determined under paragraph (2).

[(B) For the purpose of this subsection, the term “participating institution” means an institution of higher education that—

[(i) was a participant in the program assisted under this part in fiscal year 1999; and

[(ii) did not receive an allocation under subsection (a) in the fiscal year for which the reallocation determination is made.

[(2) EXCESS ELIGIBLE AMOUNT.—For any participating institution, the excess eligible amount is the amount, if any, by which—

[(A)(i) that institution's eligible amount (as determined under subsection (b)(3)), divided by (ii) the sum of the eligible amounts of all participating institutions (as determined under paragraph (3)), multiplied by (iii) the amount of funds available for reallocation under this subsection; exceeds

[(B) the amount required to be allocated to that institution under subsection (b).

[(3) REMAINDER.—The Secretary shall reallocate the remainder of such returned portions in accordance with regulations of the Secretary.

[(4) ALLOCATION REDUCTIONS.—If under paragraph (1) of this subsection an institution returns more than 10 percent of its allocation, the institution's allocation for the next fiscal year shall be reduced by the amount returned. The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing it is contrary to the interest of the program.

[SEC. 463. AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION.

[(a) CONTENTS OF AGREEMENTS.—An agreement with any institution of higher education for the payment of Federal capital contributions under this part shall—

[(1) provide for the establishment and maintenance of a student loan fund for the purpose of this part;

[(2) provide for the deposit in such fund of—

[(A) Federal capital contributions from funds appropriated under section 461;

[(B) a capital contribution by an institution in an amount equal to one-third of the Federal capital contributions described in subparagraph (A);

[(C) collections of principal and interest on student loans made from deposited funds;

[(D) charges collected pursuant to regulations under section 464(c)(1)(H); and

[(E) any other earnings of the funds;

[(3) provide that such student loan fund shall be used only for—

[(A) loans to students, in accordance with the provisions of this part;

[(B) administrative expenses, as provided in subsection (b);

[(C) capital distributions, as provided in section 466; and

[(D) costs of litigation, and other collection costs agreed to by the Secretary in connection with the collection of a loan from the fund (and interest thereon) or a charge assessed pursuant to regulations under section 464(c)(1)(H);

[(4) provide that where a note or written agreement evidencing a loan has been in default despite due diligence on the part of the institution in attempting collection thereon—

[(A) if the institution has knowingly failed to maintain an acceptable collection record with respect to such loan, as determined by the Secretary in accordance with criteria established by regulation, the Secretary may—

[(i) require the institution to assign such note or agreement to the Secretary, without recompense; and

[(ii) apportion any sums collected on such a loan, less an amount not to exceed 30 percent of any sums collected to cover the Secretary's collection costs, among other institutions in accordance with section 462; or

[(B) if the institution is not one described in subparagraph (A), the Secretary may allow such institution to refer such note or agreement to the Secretary, without recompense, except that, once every six months, any sums collected on such a loan (less an amount not to exceed 30 percent of any such sums collected to cover the Secretary's collection costs) shall be repaid to such institution and treated as an additional capital contribution under section 462;

[(5) provide that, if an institution of higher education determines not to service and collect student loans made available from funds under this part, the institution will assign, at the beginning of the repayment period, notes or evidence of obligations of student loans made from such funds to the Secretary and the Secretary shall apportion any sums collected on such notes or obligations (less an amount not to exceed 30 percent of any such sums collected to cover that Secretary's collection costs) among other institutions in accordance with section 462;

[(6) provide that, notwithstanding any other provision of law, the Secretary will provide to the institution any information with respect to the names and addresses of borrowers or other relevant information which is available to the Secretary, from whatever source such information may be derived;

[(7) provide assurances that the institution will comply with the provisions of section 463A;

[(8) provide that the institution of higher education will make loans first to students with exceptional need; and

[(9) include such other reasonable provisions as may be necessary to protect the United States from unreasonable risk of loss and as are agreed to by the Secretary and the institution, except that nothing in this paragraph shall be construed to permit the Secretary to require the assignment of loans to the Secretary other than as is provided for in paragraphs (4) and (5).

[(b) ADMINISTRATIVE EXPENSES.—An institution which has entered into an agreement under subsection (a) shall be entitled, for each fiscal year during which it makes student loans from a student loan fund established under such agreement, to a payment in lieu of reimbursement for its expenses in administering its student loan program under this part during such year. Such payment shall be made in accordance with section 489.

[(c) COOPERATIVE AGREEMENTS WITH CONSUMER REPORTING AGENCIES.—(1) For the purpose of promoting responsible repayment of loans made pursuant to this part, the Secretary and each institution of higher education participating in the program under this part shall enter into cooperative agreements with consumer reporting agencies to provide for the exchange of information concerning student borrowers concerning whom the Secretary has re-

ceived a referral pursuant to section 467 and regarding loans held by the Secretary or an institution.

[(2) Each cooperative agreement made pursuant to paragraph (1) shall be made in accordance with the requirements of section 430A except that such agreement shall provide for the disclosure by the Secretary or an institution, as the case may be, to such consumer reporting agencies, with respect to any loan held by the Secretary or the institution, respectively, of—

[(A) the date of disbursement and the amount of such loans made to any borrower under this part at the time of disbursement of the loan;

[(B) information concerning the repayment and collection of any such loan, including information concerning the status of such loan; and

[(C) the date of cancellation of the note upon completion of repayment by the borrower of any such loan, or upon cancellation or discharge of the borrower's obligation on the loan for any reason.

[(3) Notwithstanding paragraphs (4) and (5) of subsection (a) of section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c (a)(4), (a)(5)), a consumer reporting agency may make a report containing information received from the Secretary or an institution regarding the status of a borrower's account on a loan made under this part until the loan is paid in full.

[(4)(A) Except as provided in subparagraph (B), an institution of higher education, after consultation with the Secretary and pursuant to the agreements entered into under paragraph (1), shall disclose at least annually to any consumer reporting agency with which the Secretary has such an agreement the information set forth in paragraph (2), and shall disclose promptly to such consumer reporting agency any changes to the information previously disclosed.

[(B) The Secretary may promulgate regulations establishing criteria under which an institution of higher education may cease reporting the information described in paragraph (2) before a loan is paid in full.

[(5) Each institution of higher education shall notify the appropriate consumer reporting agencies whenever a borrower of a loan that is made and held by the institution and that is in default makes 6 consecutive monthly payments on such loan, for the purpose of encouraging such consumer reporting agencies to update the status of information maintained with respect to that borrower.

[(d) LIMITATION ON USE OF INTEREST BEARING ACCOUNTS.—In carrying out the provisions of subsection (a)(9), the Secretary may not require that any collection agency, collection attorney, or loan servicer collecting loans made under this part deposit amounts collected on such loans in interest bearing accounts, unless such agency, attorney, or servicer holds such amounts for more than 45 days.

[(e) SPECIAL DUE DILIGENCE RULE.—In carrying out the provisions of subsection (a)(5) relating to due diligence, the Secretary shall make every effort to ensure that institutions of higher education may use Internal Revenue Service skip-tracing collection procedures on loans made under this part.

[SEC. 463A. STUDENT LOAN INFORMATION BY ELIGIBLE INSTITUTIONS.

[(a) DISCLOSURE REQUIRED PRIOR TO DISBURSEMENT.—Each institution of higher education shall, at or prior to the time such institution makes a loan to a student borrower which is made under this part, provide thorough and adequate loan information on such loan to the student borrower. Any disclosure required by this subsection may be made by an institution of higher education as part of the written application material provided to the borrower, or as part of the promissory note evidencing the loan, or on a separate written form provided to the borrower. The disclosures shall include—

[(1) the name of the institution of higher education, and the address to which communications and payments should be sent;

[(2) the principal amount of the loan;

[(3) the amount of any charges collected by the institution at or prior to the disbursal of the loan and whether such charges are deducted from the proceeds of the loan or paid separately by the borrower;

[(4) the stated interest rate on the loan;

[(5) the yearly and cumulative maximum amounts that may be borrowed;

[(6) an explanation of when repayment of the loan will be required and when the borrower will be obligated to pay interest that accrues on the loan;

[(7) a statement as to the minimum and maximum repayment term which the institution may impose, and the minimum monthly payment required by law and a description of any penalty imposed as a consequence of default, such as liability for expenses reasonably incurred in attempts by the Secretary or institutions to collect on a loan;

[(8) a statement of the total cumulative balance, including the loan applied for, owed by the student to that lender, and an estimate of the projected monthly payment, given such cumulative balance;

[(9) an explanation of any special options the borrower may have for loan consolidation or other refinancing of the loan;

[(10) a statement that the borrower has the right to prepay all or part of the loan, at any time, without penalty, a statement summarizing circumstances in which repayment of the loan or interest that accrues on the loan may be deferred, and a brief notice of the program for repayment of loans, on the basis of military service, pursuant to the Department of Defense educational loan repayment program (10 U.S.C. 16302);

[(11) a definition of default and the consequences to the borrower if the borrower defaults, together with a statement that the disbursement of, and the default on, a loan under this part, shall be reported to a consumer reporting agency;

[(12) to the extent practicable, the effect of accepting the loan on the eligibility of the borrower for other forms of student assistance;

[(13) an explanation of any cost the borrower may incur in the making or collection of the loan;

[(14) a notice and explanation regarding the end to future availability of loans made under this part;

[(15) a notice and explanation that repayment and forgiveness benefits available to borrowers of loans made under part D are not available to borrowers participating in the loan program under this part;

[(16) a notice and explanation regarding a borrower's option to consolidate a loan made under this part into a Federal Direct Loan under part D, including any benefit of such consolidation;

[(17) with respect to new undergraduate Federal Perkins loan borrowers, as described in section 461(b)(1)(A), a notice and explanation providing a comparison of the interest rates of loans under this part and part D and informing the borrower that the borrower has reached the maximum annual borrowing limit for which the borrower is eligible as referenced under subparagraphs (A) and (D) of section 455(a)(2); and

[(18) with respect to current undergraduate Federal Perkins loan borrowers, as described in section 461(b)(1)(B), a notice and explanation providing a comparison of the interest rates of loans under this part and part D and informing the borrower that the borrower has reached the maximum annual borrowing limit for which the borrower is eligible on Federal Direct Stafford Loans as referenced under section 455(a)(2)(A).

[(b) DISCLOSURE REQUIRED PRIOR TO REPAYMENT.—Each institution of higher education shall enter into an agreement with the Secretary under which the institution will, prior to the start of the repayment period of the student borrower on loans made under this part, disclose to the student borrower the information required under this subsection. Any disclosure required by this subsection may be made by an institution of higher education either in a promissory note evidencing the loan or loans or in a written statement provided to the borrower. The disclosures shall include—

[(1) the name of the institution of higher education, and the address to which communications and payments should be sent;

[(2) the scheduled date upon which the repayment period is to begin;

[(3) the estimated balance owed by the borrower on the loan or loans covered by the disclosure as of the scheduled date on which the repayment period is to begin (including, if applicable, the estimated amount of interest to be capitalized);

[(4) the stated interest rate on the loan or loans, or the combined interest rate of loans with different stated interest rates;

[(5) the nature of any fees which may accrue or be charged to the borrower during the repayment period;

[(6) the repayment schedule for all loans covered by the disclosure including the date the first installment is due, and the number, amount, and frequency of required payments;

[(7) an explanation of any special options the borrower may have for loan consolidation or other refinancing of the loan;

[(8) the projected total of interest charges which the borrower will pay on the loan or loans, assuming that the borrower makes payments exactly in accordance with the repayment schedule; and

[(9) a statement that the borrower has the right to prepay all or part of the loan or loans covered by the disclosure at any time without penalty.

[(c) COSTS AND EFFECTS OF DISCLOSURES.—Such information shall be available without cost to the borrower. The failure of an eligible institution to provide information as required by this section shall not (1) relieve a borrower of the obligation to repay a loan in accordance with its terms, (2) provide a basis for a claim for civil damages, or (3) be deemed to abrogate the obligation of the Secretary to make payments with respect to such loan.

[SEC. 464. TERMS OF LOANS.

[(a) TERMS AND CONDITIONS.—(1) Loans from any student loan fund established pursuant to an agreement under section 463 to any student by any institution shall, subject to such conditions, limitations, and requirements as the Secretary shall prescribe by regulation, be made on such terms and conditions as the institution may determine.

[(2)(A) Except as provided in paragraph (4), the total of loans made to a student in any academic year or its equivalent by an institution of higher education from a loan fund established pursuant to an agreement under this part shall not exceed—

[(i) \$5,500, in the case of a student who has not successfully completed a program of undergraduate education; or

[(ii) \$8,000, in the case of a graduate or professional student (as defined in regulations issued by the Secretary).

[(B) Except as provided in paragraph (4), the aggregate unpaid principal amount for all loans made to a student by institutions of higher education from loan funds established pursuant to agreements under this part may not exceed—

[(i) \$60,000, in the case of any graduate or professional student (as defined by regulations issued by the Secretary, and including any loans from such funds made to such person before such person became a graduate or professional student);

[(ii) \$27,500, in the case of a student who has successfully completed 2 years of a program of education leading to a bachelor's degree but who has not completed the work necessary for such a degree (determined under regulations issued by the Secretary), and including any loans from such funds made to such person before such person became such a student; and

[(iii) \$11,000, in the case of any other student.

[(3) Regulations of the Secretary under paragraph (1) shall be designed to prevent the impairment of the capital student loan funds to the maximum extent practicable and with a view toward the objective of enabling the student to complete his course of study.

[(4) In the case of a program of study abroad that is approved for credit by the home institution at which a student is enrolled and that has reasonable costs in excess of the home institution's budget, the annual and aggregate loan limits for the student may exceed the amounts described in paragraphs (2)(A) and (2)(B) by 20 percent.

[(b) DEMONSTRATION OF NEED AND ELIGIBILITY REQUIRED.—(1) A loan from a student loan fund assisted under this part may be made only to a student who demonstrates financial need in accordance with part F of this title, who meets the requirements of sec-

tion 484, and who provides the institution with the student's drivers license number, if any, at the time of application for the loan. A student who is in default on a loan under this part shall not be eligible for an additional loan under this part unless such loan meets one of the conditions for exclusion under section 462(g)(1)(E).

[(2) If the institution's capital contribution under section 462 is directly or indirectly based in part on the financial need demonstrated by students who are (A) attending the institution less than full time, or (B) independent students, then a reasonable portion of the loans made from the institution's student loan fund containing the contribution shall be made available to such students.

[(c) CONTENTS OF LOAN AGREEMENT.—(1) Any agreement between an institution and a student for a loan from a student loan fund assisted under this part—

[(A) shall be evidenced by note or other written instrument which, except as provided in paragraph (2), provides for repayment of the principal amount of the loan, together with interest thereon, in equal installments (or, if the borrower so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Secretary) payable quarterly, bimonthly, or monthly, at the option of the institution, over a period beginning nine months after the date on which the student ceases to carry, at an institution of higher education or a comparable institution outside the United States approved for this purpose by the Secretary, at least one-half the normal full-time academic workload, and ending 10 years and 9 months after such date except that such period may begin earlier than 9 months after such date upon the request of the borrower;

[(B) shall include provision for acceleration of repayment of the whole, or any part, of such loan, at the option of the borrower;

[(C)(i) may provide, at the option of the institution, in accordance with regulations of the Secretary, that during the repayment period of the loan, payments of principal and interest by the borrower with respect to all outstanding loans made to the student from a student loan fund assisted under this part shall be at a rate equal to not less than \$40 per month, except that the institution may, subject to such regulations, permit a borrower to pay less than \$40 per month for a period of not more than one year where necessary to avoid hardship to the borrower, but without extending the 10-year maximum repayment period provided for in subparagraph (A) of this paragraph; and

[(ii) may provide that the total payments by a borrower for a monthly or similar payment period with respect to the aggregate of all loans held by the institution may, when the amount of a monthly or other similar payment is not a multiple of \$5, be rounded to the next highest whole dollar amount that is a multiple of \$5;

[(D) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at the rate of 5 percent per year in the case of any loan made on or after October 1, 1981, except that no interest shall accrue (i) prior to the beginning date of repayment determined under paragraph (2)(A)(i), or (ii) dur-

ing any period in which repayment is suspended by reason of paragraph (2);

[(E) shall provide that the loan shall be made without security and without endorsement;

[(F) shall provide that the liability to repay the loan shall be cancelled—

[(i) upon the death of the borrower;

[(ii) if the borrower becomes permanently and totally disabled as determined in accordance with regulations of the Secretary;

[(iii) if the borrower is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, has lasted for a continuous period of not less than 60 months, or can be expected to last for a continuous period of not less than 60 months; or

[(iv) if the borrower is determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected disability;

[(G) shall provide that no note or evidence of obligation may be assigned by the lender, except upon the transfer of the borrower to another institution participating under this part (or, if not so participating, is eligible to do so and is approved by the Secretary for such purpose), to such institution, and except as necessary to carry out section 463(a)(6);

[(H) pursuant to regulations of the Secretary, shall provide for an assessment of a charge with respect to the loan for failure of the borrower to pay all or part of an installment when due, which shall include the expenses reasonably incurred in attempting collection of the loan, to the extent permitted by the Secretary, except that no charge imposed under this subparagraph shall exceed 20 percent of the amount of the monthly payment of the borrower; and

[(I) shall contain a notice of the system of disclosure of information concerning default on such loan to consumer reporting agencies under section 463(c).

[(2)(A) No repayment of principal of, or interest on, any loan from a student loan fund assisted under this part shall be required during any period—

[(i) during which the borrower—

[(I) is pursuing at least a half-time course of study as determined by an eligible institution; or

[(II) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary, except that no borrower shall be eligible for a deferment under this clause, or loan made under this part while serving in a medical internship or residency program;

[(ii) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment;

[(iii) during which the borrower—

[(I) is serving on active duty during a war or other military operation or national emergency; or

[(II) is performing qualifying National Guard duty during a war or other military operation or national emergency,

and for the 180-day period following the demobilization date for the service described in subclause (I) or (II);

[(iv) not in excess of 3 years for any reason which the lender determines, in accordance with regulations prescribed by the Secretary under section 435(o), has caused or will cause the borrower to have an economic hardship; or

[(v) during which the borrower is engaged in service described in section 465(a)(2);

and provides that any such period shall not be included in determining the 10-year period described in subparagraph (A) of paragraph (1).

[(B) No repayment of principal of, or interest on, any loan for any period described in subparagraph (A) shall begin until 6 months after the completion of such period.

[(C) An individual with an outstanding loan balance who meets the eligibility criteria for a deferment described in subparagraph (A) as in effect on the date of enactment of this subparagraph shall be eligible for deferment under this paragraph notwithstanding any contrary provision of the promissory note under which the loan or loans were made, and notwithstanding any amendment (or effective date provision relating to any amendment) to this section made prior to the date of such deferment.

[(3)(A) The Secretary is authorized, when good cause is shown, to extend, in accordance with regulations, the 10-year maximum repayment period provided for in subparagraph (A) of paragraph (1) with respect to individual loans.

[(B) Pursuant to uniform criteria established by the Secretary, the repayment period for any student borrower who during the repayment period is a low-income individual may be extended for a period not to exceed 10 years and the repayment schedule may be adjusted to reflect the income of that individual.

[(4) The repayment period for a loan made under this part shall begin on the day immediately following the expiration of the period, specified in paragraph (1)(A), after the student ceases to carry the required academic workload, unless the borrower requests and is granted a repayment schedule that provides for repayment to commence at an earlier point in time, and shall exclude any period of authorized deferment, forbearance, or cancellation.

[(5) The institution may elect—

[(A) to add the amount of any charge imposed under paragraph (1)(H) to the principal amount of the loan as of the first day after the day on which the installment was due and to notify the borrower of the assessment of the charge; or

[(B) to make the amount of the charge payable to the institution not later than the due date of the next installment.

[(6) Requests for deferment of repayment of loans under this part by students engaged in graduate or post-graduate fellowship-supported study (such as pursuant to a Fulbright grant) outside the United States shall be approved until completion of the period of the fellowship.

[(7) There shall be excluded from the 9-month period that begins on the date on which a student ceases to carry at least one-half the

normal full-time academic workload (as described in paragraph (1)(A)) any period not to exceed 3 years during which a borrower who is a member of a reserve component of the Armed Forces named in section 10101 of title 10, United States Code, is called or ordered to active duty for a period of more than 30 days (as defined in section 101(d)(2) of such title). Such period of exclusion shall include the period necessary to resume enrollment at the borrower's next available regular enrollment period.

[(d) AVAILABILITY OF LOAN FUND TO ALL ELIGIBLE STUDENTS.—An agreement under this part for payment of Federal capital contributions shall include provisions designed to make loans from the student loan fund established pursuant to such agreement reasonably available (to the extent of the available funds in such fund) to all eligible students in such institutions in need thereof.

[(e) FORBEARANCE.—(1) The Secretary shall ensure that, as documented in accordance with paragraph (2), an institution of higher education shall grant a borrower forbearance of principal and interest or principal only, renewable at 12-month intervals for a period not to exceed 3 years, on such terms as are otherwise consistent with the regulations issued by the Secretary and agreed upon in writing by the parties to the loan, if—

[(A) the borrower's debt burden equals or exceeds 20 percent of such borrower's gross income;

[(B) the institution determines that the borrower should qualify for forbearance for other reasons; or

[(C) the borrower is eligible for interest payments to be made on such loan for service in the Armed Forces under section 2174 of title 10, United States Code, and, pursuant to that eligibility, the interest on such loan is being paid under subsection (j), except that the form of a forbearance under this paragraph shall be a temporary cessation of all payments on the loan other than payments of interest on the loan that are made under subsection (j).

[(2) For the purpose of paragraph (1), the terms of forbearance agreed to by the parties shall be documented by—

[(A) confirming the agreement of the borrower by notice to the borrower from the institution of higher education; and

[(B) recording the terms in the borrower's file.

[(f) SPECIAL REPAYMENT RULE AUTHORITY.—(1) Subject to such restrictions as the Secretary may prescribe to protect the interest of the United States, in order to encourage repayment of loans made under this part which are in default, the Secretary may, in the agreement entered into under this part, authorize an institution of higher education to compromise on the repayment of such defaulted loans in accordance with paragraph (2). The Federal share of the compromise repayment shall bear the same relation to the institution's share of such compromise repayment as the Federal capital contribution to the institution's loan fund under this part bears to the institution's capital contribution to such fund.

[(2) No compromise repayment of a defaulted loan as authorized by paragraph (1) may be made unless the student borrower pays—

[(A) 90 percent of the loan under this part;

[(B) the interest due on such loan; and

[(C) any collection fees due on such loan;

in a lump sum payment.

[(g) DISCHARGE.—

[(1) IN GENERAL.—If a student borrower who received a loan made under this part on or after January 1, 1986, is unable to complete the program in which such student is enrolled due to the closure of the institution, then the Secretary shall discharge the borrower's liability on the loan (including the interest and collection fees) and shall subsequently pursue any claim available to such borrower against the institution and the institution's affiliates and principals, or settle the loan obligation pursuant to the financial responsibility standards described in section 498(c).

[(2) ASSIGNMENT.—A borrower whose loan has been discharged pursuant to this subsection shall be deemed to have assigned to the United States the right to a loan refund in an amount that does not exceed the amount discharged against the institution and the institution's affiliates and principals.

[(3) ELIGIBILITY FOR ADDITIONAL ASSISTANCE.—The period during which a student was unable to complete a course of study due to the closing of the institution shall not be considered for purposes of calculating the student's period of eligibility for additional assistance under this title.

[(4) SPECIAL RULE.—A borrower whose loan has been discharged pursuant to this subsection shall not be precluded, because of that discharge, from receiving additional grant, loan, or work assistance under this title for which the borrower would be otherwise eligible (but for the default on the discharged loan). The amount discharged under this subsection shall be treated as an amount canceled under section 465(a).

[(5) REPORTING.—The Secretary or institution, as the case may be, shall report to consumer reporting agencies with respect to loans that have been discharged pursuant to this subsection.

[(h) REHABILITATION OF LOANS.—

[(1) REHABILITATION.—

[(A) IN GENERAL.—If the borrower of a loan made under this part who has defaulted on the loan makes 9 on-time, consecutive, monthly payments of amounts owed on the loan, as determined by the institution, or by the Secretary in the case of a loan held by the Secretary, the loan shall be considered rehabilitated, and the institution that made that loan (or the Secretary, in the case of a loan held by the Secretary) shall request that any consumer reporting agency to which the default was reported remove the default from the borrower's credit history.

[(B) COMPARABLE CONDITIONS.—As long as the borrower continues to make scheduled repayments on a loan rehabilitated under this paragraph, the rehabilitated loan shall be subject to the same terms and conditions, and qualify for the same benefits and privileges, as other loans made under this part.

[(C) ADDITIONAL ASSISTANCE.—The borrower of a rehabilitated loan shall not be precluded by section 484 from receiving additional grant, loan, or work assistance under this title (for which the borrower is otherwise eligible) on

the basis of defaulting on the loan prior to such rehabilitation.

[(D) LIMITATIONS.—A borrower only once may obtain the benefit of this paragraph with respect to rehabilitating a loan under this part.

[(2) RESTORATION OF ELIGIBILITY.—If the borrower of a loan made under this part who has defaulted on that loan makes 6 ontime, consecutive, monthly payments of amounts owed on such loan, the borrower's eligibility for grant, loan, or work assistance under this title shall be restored to the extent that the borrower is otherwise eligible. A borrower only once may obtain the benefit of this paragraph with respect to restored eligibility.

[(i) INCENTIVE REPAYMENT PROGRAM.—

[(1) IN GENERAL.—Each institution of higher education may establish, with the approval of the Secretary, an incentive repayment program designed to reduce default and to replenish student loan funds established under this part. Each such incentive repayment program may—

[(A) offer a reduction of the interest rate on a loan on which the borrower has made 48 consecutive, monthly repayments, but in no event may the rate be reduced by more than 1 percent;

[(B) provide for a discount on the balance owed on a loan on which the borrower pays the principal and interest in full prior to the end of the applicable repayment period, but in no event may the discount exceed 5 percent of the unpaid principal balance due on the loan at the time the early repayment is made; and

[(C) include such other incentive repayment options as the institution determines will carry out the objectives of this subsection.

[(2) LIMITATION.—No incentive repayment option under an incentive repayment program authorized by this subsection may be paid for with Federal funds, including any Federal funds from the student loan fund, or with institutional funds from the student loan fund.

[(j) ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.—

[(1) AUTHORITY.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest on a loan made under this part to a member of the Armed Forces, the Secretary shall pay the interest on the loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest on such a loan out of any funds other than funds that have been so transferred.

[(2) FORBEARANCE.—During the period in which the Secretary is making payments on a loan under paragraph (1), the institution of higher education shall grant the borrower forbearance in accordance with subsection (e)(1)(C).

[(k) The Secretary may develop such additional safeguards as the Secretary determines necessary to prevent fraud and abuse in the cancellation of liability under subsection (c)(1)(F). Notwithstanding subsection (c)(1)(F), the Secretary may promulgate regula-

tions to resume collection on loans cancelled under subsection (c)(1)(F) in any case in which—

[(1) a borrower received a cancellation of liability under subsection (c)(1)(F) and after the cancellation the borrower—

[(A) receives a loan made, insured, or guaranteed under this title; or

[(B) has earned income in excess of the poverty line; or

[(2) the Secretary determines necessary.

[SEC. 465. CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE.

[(a) CANCELLATION OF PERCENTAGE OF DEBT BASED ON YEARS OF QUALIFYING SERVICE.—(1) The percent specified in paragraph (3) of this subsection of the total amount of any loan made after June 30, 1972, from a student loan fund assisted under this part shall be canceled for each complete year of service after such date by the borrower under circumstances described in paragraph (2).

[(2) Loans shall be canceled under paragraph (1) for service—

[(A) as a full-time teacher for service in an academic year (including such a teacher employed by an educational service agency)—

[(i) in a public or other nonprofit private elementary school or secondary school, which, for the purpose of this paragraph and for that year—

[(I) has been determined by the Secretary (pursuant to regulations of the Secretary and after consultation with the State educational agency of the State in which the school is located) to be a school in which the number of children meeting a measure of poverty under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965, exceeds 30 percent of the total number of children enrolled in such school; and

[(II) is in the school district of a local educational agency which is eligible in such year for assistance pursuant to part A of title I of the Elementary and Secondary Education Act of 1965; or

[(ii) in one or more public, or nonprofit private, elementary schools or secondary schools or locations operated by an educational service agency that have been determined by the Secretary (pursuant to regulations of the Secretary and after consultation with the State educational agency of the State in which the educational service agency operates) to be a school or location at which the number of children taught who meet a measure of poverty under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965, exceeds 30 percent of the total number of children taught at such school or location;

[(B) as a full-time staff member in a preschool program carried on under the Head Start Act, or in a prekindergarten or child care program that is licensed or regulated by the State, that is operated for a period which is comparable to a full school year in the locality if the salary of such staff member is not more than the salary of a comparable employee of the local educational agency;

[(C) as a full-time special education teacher, including teachers of infants, toddlers, children, or youth with disabilities in

a public or other nonprofit elementary or secondary school system, including a system administered by an educational service agency, or as a full-time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by the lead agency as authorized in section 635(a)(10) of the Individuals with Disabilities Education Act;

[(D) as a member of the Armed Forces of the United States, for service that qualifies for special pay under section 310, or paragraph (1) or (3) of section 351(a), of title 37, United States Code, as an area of hostilities;

[(E) as a volunteer under the Peace Corps Act or a volunteer under the Domestic Volunteer Service Act of 1973;

[(F) as a full-time law enforcement officer or corrections officer for service to local, State, or Federal law enforcement or corrections agencies, or as a full-time attorney employed in a defender organization established in accordance with section 3006A(g)(2) of title 18, United States Code;

[(G) as a full-time teacher of mathematics, science, foreign languages, bilingual education, or any other field of expertise where the State educational agency determines there is a shortage of qualified teachers;

[(H) as a full-time nurse or medical technician providing health care services;

[(I) as a full-time employee of a public or private nonprofit child or family service agency who is providing, or supervising the provision of, services to high-risk children who are from low-income communities and the families of such children;

[(J) as a full-time fire fighter for service to a local, State, or Federal fire department or fire district;

[(K) as a full-time faculty member at a Tribal College or University, as that term is defined in section 316;

[(L) as a librarian, if the librarian has a master's degree in library science and is employed in—

[(i) an elementary school or secondary school that is eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965; or

[(ii) a public library that serves a geographic area that contains one or more schools eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965; or

[(M) as a full-time speech language pathologist, if the pathologist has a masters degree and is working exclusively with schools that are eligible for assistance under title I of the Elementary and Secondary Education Act of 1965.

For the purpose of this paragraph, the term “children with disabilities” has the meaning set forth in section 602 of the Individuals with Disabilities Education Act.

[(3)(A) The percent of a loan which shall be canceled under paragraph (1) of this subsection is—

[(i) in the case of service described in subparagraph (A), (C), (D), (F), (G), (H), (I), (J), (K), (L), or (M) of paragraph (2), at the rate of 15 percent for the first or second year of such service, 20 percent for the third or fourth year of such service, and 30 percent for the fifth year of such service;

[(ii) in the case of service described in subparagraph (B) of paragraph (2), at the rate of 15 percent for each year of such service; or

[(iii) in the case of service described in subparagraph (E) of paragraph (2) at the rate of 15 percent for the first or second year of such service and 20 percent for the third or fourth year of such service.

[(B) If a portion of a loan is canceled under this subsection for any year, the entire amount of interest on such loan which accrues for such year shall be canceled.

[(C) Nothing in this subsection shall be construed to authorize refunding of any repayment of a loan.

[(4) For the purpose of this subsection, the term “year” where applied to service as a teacher means academic year as defined by the Secretary.

[(5) The amount of a loan, and interest on a loan, which is canceled under this section shall not be considered income for purposes of the Internal Revenue Code of 1986.

[(6) No borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

[(7) An individual with an outstanding loan obligation under this part who performs service of any type that is described in paragraph (2) as in effect on the date of enactment of this paragraph shall be eligible for cancellation under this section for such service notwithstanding any contrary provision of the promissory note under which the loan or loans were made, and notwithstanding any amendment (or effective date provision relating to any amendment) to this section made prior to the date of such service.

[(b) REIMBURSEMENT FOR CANCELLATION.—The Secretary shall pay to each institution for each fiscal year an amount equal to the aggregate of the amounts of loans from its student loan fund which are canceled pursuant to this section for such year, minus an amount equal to the aggregate of the amounts of any such loans so canceled which were made from Federal capital contributions to its student loan fund provided by the Secretary under section 468. None of the funds appropriated pursuant to section 461(b) shall be available for payments pursuant to this subsection. To the extent feasible, the Secretary shall pay the amounts for which any institution qualifies under this subsection not later than 3 months after the institution files an institutional application for campus-based funds.

[(c) SPECIAL RULES.—

[(1) LIST.—If the list of schools in which a teacher may perform service pursuant to subsection (a)(2)(A) is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

[(2) CONTINUING ELIGIBILITY.—Any teacher who performs service in a school which—

[(A) meets the requirements of subsection (a)(2)(A) in any year; and

[(B) in a subsequent year fails to meet the requirements of such subsection,

may continue to teach in such school and shall be eligible for loan cancellation pursuant to subsection (a)(1) such subsequent years.

[SEC. 466. DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS.

[(a) IN GENERAL.—Beginning October 1, 2017, there shall be a capital distribution of the balance of the student loan fund established under this part by each institution of higher education as follows:

[(1) The Secretary shall first be paid an amount which bears the same ratio to the balance in such fund at the close of September 30, 2017, as the total amount of the Federal capital contributions to such fund by the Secretary under this part bears to the sum of such Federal contributions and the institution's capital contributions to such fund.

[(2) The remainder of such balance shall be paid to the institution.

[(b) DISTRIBUTION OF LATE COLLECTIONS.—Beginning October 1, 2017, each institution with which the Secretary has made an agreement under this part, shall pay to the Secretary the same proportionate share of amounts received by this institution after September 30, 2017, in payment of principal and interest on student loans made from the student loan fund established pursuant to such agreement (which amount shall be determined after deduction of any costs of litigation incurred in collection of the principal or interest on loans from the fund and not already reimbursed from the fund or from such payments of principal or interest), as was determined for the Secretary under subsection (a).

[(c) DISTRIBUTION OF EXCESS CAPITAL.—(1) Upon a finding by the institution or the Secretary prior to October 1, 2017, that the liquid assets of a student loan fund established pursuant to an agreement under this part exceed the amount required for loans or otherwise in the foreseeable future, and upon notice to such institution or to the Secretary, as the case may be, there shall be, subject to such limitations as may be included in regulations of the Secretary or in such agreement, a capital distribution from such fund. Such capital distribution shall be made as follows:

[(A) The Secretary shall first be paid an amount which bears the same ratio to the total to be distributed as the Federal capital contributions by the Secretary to the student loan fund prior to such distribution bear to the sum of such Federal capital contributions and the capital contributions to the fund made by the institution.

[(B) The remainder of the capital distribution shall be paid to the institution.

[(2) No finding that the liquid assets of a student loan fund established under this part exceed the amount required under paragraph (1) may be made prior to a date which is 2 years after the date on which the institution of higher education received the funds from such institution's allocation under section 462.

[SEC. 467. COLLECTION OF DEFAULTED LOANS: PERKINS LOAN REVOLVING FUND.

[(a) AUTHORITY OF SECRETARY TO COLLECT REFERRED, TRANSFERRED, OR ASSIGNED LOANS.—With respect to any loan—

[(1) which was made under this part, and

[(2) which is referred, transferred, or assigned to the Secretary by an institution with an agreement under section 463(a),

the Secretary is authorized to attempt to collect such loan by any means authorized by law for collecting claims of the United States (including referral to the Attorney General for litigation) and under such terms and conditions as the Secretary may prescribe, including reimbursement for expenses reasonably incurred in attempting such collection.

[(b) COLLECTION OF REFERRED, TRANSFERRED, OR ASSIGNED LOANS.—The Secretary shall continue to attempt to collect any loan referred, transferred, or assigned under paragraph (4) or (5) of section 463(a) until all appropriate collection efforts, as determined by the Secretary, have been expended.

[SEC. 468. GENERAL AUTHORITY OF SECRETARY.

[In carrying out the provisions of this part, the Secretary is authorized—

[(1) to consent to modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note evidencing a loan which has been made under this part;

[(2) to enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right of redemption;

[(3) to conduct litigation in accordance with the provisions of section 432(a)(2); and

[(4) to enter into a contract or other arrangement with State or nonprofit agencies and, on a competitive basis, with collection agencies for servicing and collection of loans under this part.

[SEC. 469. DEFINITIONS.

[(a) LOW-INCOME COMMUNITIES.—For the purpose of this part, the term “low-income communities” means communities in which there is a high concentration of children eligible to be counted under section 1124(c) of the Elementary and Secondary Education Act of 1965.

[(b) HIGH-RISK CHILDREN.—For the purposes of this part, the term “high-risk children” means individuals under the age of 21 who are low-income or at risk of abuse or neglect, have been abused or neglected, have serious emotional, mental, or behavioral disturbances, reside in placements outside their homes, or are involved in the juvenile justice system.

[(c) INFANTS, TODDLERS, CHILDREN, AND YOUTH WITH DISABILITIES.—For purposes of this part, the term “infants, toddlers, children, and youth with disabilities” means children with disabilities and infants and toddlers with disabilities as defined in sections 602 and 632, respectively, of the Individuals with Disabilities Education Act, and the term “early intervention services” has the meaning given the term in section 632 of such Act.]

SEC. 461. PROGRAM AUTHORITY.

(a) *IN GENERAL.*—There are hereby made available, in accordance with the provisions of this part, such sums as may be necessary to make loans to all eligible students (and the eligible parents of such students) in attendance at participating institutions of higher edu-

cation selected by the Secretary to enable such students to pursue their courses of study at such institutions during the period beginning July 1, 2019. Loans made under this part shall be made by participating institutions that have agreements with the Secretary to originate loans.

(b) *DESIGNATION.*—The program established under this part shall be referred to as the “Federal ONE Loan Program”.

(c) *ONE LOANS.*—Except as otherwise specified in this part, loans made to borrowers under this part shall be known as “Federal ONE Loans”.

SEC. 462. FUNDS FOR THE ORIGINATION OF ONE LOANS.

(a) *IN GENERAL.*—The Secretary shall provide, on the basis of eligibility of students at each participating institution, and parents of such students, for such loans, funds for student and Parent Loans under this part directly to an institution of higher education that has an agreement with the Secretary under section 464(a) to participate in the Federal ONE Loan Program under this part and that also has an agreement with the Secretary under section 464(b) to originate loans under this part.

(b) *PARALLEL TERMS.*—Subsections (b), (c), and (d) of section 452 shall apply to the loan program under this part in the same manner that such subsections apply to the loan program under part D.

SEC. 463. SELECTION OF INSTITUTIONS FOR PARTICIPATION AND ORIGINATION.

(a) *GENERAL AUTHORITY.*—The Secretary shall enter into agreements pursuant to section 464(a) with institutions of higher education to participate in the Federal ONE Loan Program under this part, and agreements pursuant to section 464(b) with institutions of higher education, to originate loans in such program, for academic years beginning on or after July 1, 2019. Such agreements for the academic year 2019–2020 shall, to the extent feasible, be entered into not later than January 1, 2019.

(b) *SELECTION CRITERIA AND PROCEDURE.*—The application and selection procedure for an institution of higher education desiring to participate in the loan program under this part shall be the application and selection procedure described in section 453(b) for an institution of higher education desiring to participate in the loan program under part D.

(c) *ELIGIBLE INSTITUTIONS.*—The Secretary may not select an institution of higher education for participation under this part unless such institution is an eligible institution under section 487(a).

SEC. 464. AGREEMENTS WITH INSTITUTIONS.

(a) *PARTICIPATION AGREEMENTS.*—An agreement with any institution of higher education for participation in the Federal ONE Loan Program under this part shall—

(1) provide for the establishment and maintenance of a direct student loan program at the institution under which the institution will—

(A) identify eligible students who seek student financial assistance at such institution in accordance with section 484;

(B) provide a statement that certifies the eligibility of any student to receive a loan under this part that is not in excess of the annual or aggregate limit applicable to such

loan, except that the institution may, in exceptional circumstances identified by the Secretary pursuant to section 454(a)(1)(C), refuse to certify a statement that permits a student to receive a loan under this part, if the reason for such action is documented and provided in written form to such student;

(C) set forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 465(a); and

(D) provide timely and accurate information, concerning the status of student borrowers (and students on whose behalf parents borrow under this part) while such students are in attendance at the institution and concerning any new information of which the institution becomes aware for such students (or their parents) after such borrowers leave the institution, to the Secretary for the servicing and collecting of loans made under this part;

(2) provide assurances that the institution will comply with requirements established by the Secretary relating to student loan information with respect to loans made under this part;

(3) provide that the institution accepts responsibility and financial liability stemming from its failure to perform its functions pursuant to the agreement;

(4) provide for the implementation of a quality assurance system, as established by the Secretary and developed in consultation with institutions of higher education, to ensure that the institution is complying with program requirements and meeting program objectives; and

(5) provide that the institution will not charge any fees of any kind, however described, to student or parent borrowers for origination activities or the provision of any information necessary for a student or parent to receive a loan under this part, or any benefits associated with such loan.

(b) **ORIGINATION.**—An agreement with any institution of higher education for the origination of loans under this part shall—

(1) supplement the agreement entered into in accordance with subsection (a);

(2) include provisions established by the Secretary that are similar to the participation agreement provisions described in paragraphs (2), (3), (4), and (5) of subsection (a), as modified to relate to the origination of loans by the institution;

(3) provide that the institution will originate loans to eligible students and parents in accordance with this part; and

(4) provide that the note or evidence of obligation on the loan shall be the property of the Secretary.

(c) **WITHDRAWAL PROCEDURES.**—

(1) **IN GENERAL.**—An institution of higher education participating in the Federal ONE Loan Program under this part may withdraw from the program by providing written notice to the Secretary of the intent to withdraw not less than 60 days before the intended date of withdrawal.

(2) **DATE OF WITHDRAWAL.**—Except in cases in which the Secretary and an institution of higher education agree to an earlier date, the date of withdrawal from the Federal ONE Loan Pro-

gram under this part of an institution of higher education shall be the later of—

- (A) 60 days after the institution submits the notice required under paragraph (1); or
- (B) a date designated by the institution.

SEC. 465. DISBURSEMENT OF STUDENT LOANS, LOAN LIMITS, INTEREST RATES, AND LOAN FEES.

(a) **REQUIREMENTS FOR DISBURSEMENT OF STUDENT LOANS.—**

(1) **MULTIPLE DISBURSEMENT REQUIRED.—**

(A) **REQUIRED DISBURSEMENTS.—**The proceeds of any loan made under this part that is made for any period of enrollment shall be disbursed as follows:

(i) The disbursement of the first installment of proceeds shall, with respect to any student other than a student described in subparagraph (B)(i), be made not more than 30 days prior to the beginning of the period of enrollment, and not later than 30 days after the beginning of such period of enrollment.

(ii) The disbursement of an installment of proceeds shall be made in substantially equal monthly or weekly installments over the period of enrollment for which the loan was made, except that installments may be unequal as necessary to permit the institution to adjust for unequal costs (which may include upfront costs such as tuition and fees) incurred or estimated financial assistance received by the student, or based on the academic progress of the student.

(B) **DISBURSEMENT OF CREDIT BALANCES.—**

(i) **TYPE OF DISBURSEMENT.—**The credit balances of any loan made under this part that is made for any period of enrollment shall be disbursed by—

(I) an electronic transfer of funds to the borrower's financial account;

(II) a check for the amount payable to, and requiring the endorsement of, the borrower;

(III) an access device in accordance with clause (ii); or

(IV) a cash payment for which the institution obtains a receipt signed by the borrower.

(ii) **USAGE OF ACCESS DEVICE.—**An institution may enter into an agreement with a third-party servicer for the delivery of funds awarded under this part in which the third-party servicer provides the borrower with an unvalidated access device for accessing credit balances of any loan if—

(I) the agreement provides that the access device must bear a prominent disclosure informing the borrower that the borrower is not required to use such access device and open such an account in order to access the student's funds under this part;

(II) the agreement provides that the consent of the borrower is obtained before the access device is validated to enable the student to access the account;

(III) the agreement provides for the protection of the borrower against fraud; and

(IV) the institution documents that it has conducted a reasonable due diligence review before entering into the agreement, and will conduct such a review at least every two years to ensure that—

(aa) the fees applicable to such account are, considered as a whole, below prevailing market rates; and

(bb) the terms and conditions of such account are otherwise consistent with prevailing market terms and conditions.

(C) *FIRST YEAR STUDENTS.*—

(i) *IN GENERAL.*—The first installment of the proceeds of any loan made under this part that is made to a student borrower who is entering the first year of a program of undergraduate education, and who has not previously obtained a loan under this part, shall not (regardless of the amount of such loan or the duration of the period of enrollment) be presented by the institution of higher education to the student for endorsement until 30 days after the borrower begins a course of study, but may be delivered to the eligible institution prior to the end of that 30-day period.

(ii) *EXEMPTION.*—An institution of higher education in which each educational program has a loan repayment rate (as determined under section 481B(c)) for the most recent fiscal year for which data are available that is greater than 60 percent shall be exempt from the requirements of clause (i).

(2) *WITHDRAWING OF SUCCEEDING DISBURSEMENTS.*—

(A) *WITHDRAWING STUDENTS.*—In the case in which the Secretary is informed by the borrower or the institution that the borrower has ceased to be enrolled before the disbursement of the second or any succeeding installment, the Secretary shall withhold such disbursement. Any disbursement which is so withheld shall be credited to the borrower's loan and treated as a prepayment on the principal of the loan.

(B) *STUDENTS RECEIVING OVER-AWARDS.*—If the sum of a disbursement for any borrower and the other financial aid obtained by borrower exceeds the amount of assistance for which the borrower is eligible under this title, the institution the borrower, or dependent student, in the case of a parent borrower, is attending shall withhold and return to the Secretary the portion (or all) of such installment that exceeds such eligible amount, except that overawards permitted pursuant to section 443(b)(4) shall not be construed to be overawards for purposes of this subparagraph. Any portion (or all) of a disbursement installment which is so returned shall be credited to the borrower's loan and treated as a prepayment on the principal of the loan.

(3) *EXCLUSION OF CONSOLIDATION AND FOREIGN STUDY LOANS.*—The provisions of this subsection shall not apply in the case of a Federal ONE Consolidation Loan, or a loan made to

a student to cover the cost of attendance in a program of study abroad approved by the home eligible institution if each of the educational programs of such home eligible institution has a loan repayment rate (as calculated under section 481B(c)) for the most recent fiscal year for which data are available of greater than 70 percent.

(4) *BEGINNING OF PERIOD OF ENROLLMENT.*—For purposes of this subsection, a period of enrollment begins on the first day that classes begin for the applicable period of enrollment.

(b) *AMOUNT OF LOAN.*—

(1) *IN GENERAL.*—The determination of the amount of a loan disbursed by an eligible institution under this section shall be the lesser of—

(A) an amount that is equal to the estimated loan amount, as determined by the institution by calculating—

(i) the estimated cost of attendance at the institution; minus

(ii)(I) any estimated financial assistance reasonably available to such student, including assistance that the student will receive from a Federal grant, including a Federal Pell Grant, a State grant, an institutional grant, or a scholarship or grant from another source, that is known to the institution at the time the student's determination of need is made; and

(II) in the case of a loan to a parent, the amount of a loan awarded under this part to the parent's child; or

(B) the maximum Federal loan amount for which such borrower is eligible in accordance with paragraph (2).

(2) *LOAN LIMITS.*—

(A) *ANNUAL LIMITS.*—Except as provided under subparagraph (B), (C), or (D), the amount of loans made under this part that an eligible student or parent borrower may borrow for an academic year shall be as follows:

(i) *UNDERGRADUATE STUDENTS.*—With respect to enrollment in a program of undergraduate education at an eligible institution—

(I) in the case of a dependent student—

(aa) who has not successfully completed the first year of a program of undergraduate education, \$7,500;

(bb) who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate education, \$8,500; and

(cc) who has successfully completed the first and second years of a program of undergraduate education but has not successfully completed the remainder of such program, \$9,500;

(II) in the case of an independent student, or a dependent student whose parents are unable to borrow a loan under this part on behalf of such student—

(aa) who has not successfully completed the first year of a program of undergraduate education, \$11,500;

(bb) who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate education, \$12,500; and

(cc) who has successfully completed the first and second years of a program of undergraduate education but has not successfully completed the remainder of such program, \$14,500; and

(III) in the case of a student who is enrolled in a program of undergraduate education that is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) or (II), as applicable, as the length of such program measured in semester, trimester, quarter, or clock hours bears to one academic year.

(ii) GRADUATE OR PROFESSIONAL STUDENTS.—In the case of a graduate or professional student for enrollment in a program of graduate or professional education at an eligible institution, \$28,500.

(iii) PARENT BORROWERS.—In the case of a parent borrowing a loan under this part on behalf of a dependent student for the student's enrollment in a program of undergraduate education at an eligible institution, \$12,500 per each such student.

(iv) COURSEWORK FOR UNDERGRADUATE ENROLLMENT.—With respect to enrollment in coursework specified in section 484(b)(3)(B) necessary for enrollment in an undergraduate degree or certificate program—

(I) in the case of a dependent student, \$2,625;

(II) in the case of a parent borrowing a loan under this part on behalf of a dependent student for the student's enrollment in such coursework, \$6,000; and

(III) in the case an independent student, or a dependent student whose parents are unable to borrow a loan under this part on behalf of such student, \$8,625.

(v) COURSEWORK FOR GRADUATE OR PROFESSIONAL ENROLLMENT OR TEACHER EMPLOYMENT.—With respect to the enrollment of a student who has obtained a baccalaureate degree in coursework specified in section 484(b)(3)(B) necessary for enrollment in a graduate or professional degree or certificate program, or coursework specified in section 484(b)(4)(B) necessary for a professional credential or certification from a State required for employment as a teacher in an elementary or secondary school, in the case of a student (without regard to whether the student is a dependent student or dependent student), \$12,500.

(B) *AGGREGATE LIMITS.*—Except as provided under subparagraph (C), (D), or (E), the maximum aggregate amount of loans under this part and parts B and D that an eligible student or parent borrower may borrow shall be—

(i) for enrollment in a program of undergraduate education at an eligible institution, including for enrollment in coursework described in clause (iv) or (v) of subparagraph (A)—

(I) in the case of a dependent student, \$39,000;

(II) in the case of an independent student, or an dependent student whose parents are unable to receive a loan under this part on behalf of such student, \$60,250; and

(III) in the case of a parent borrowing a loan under this part on behalf of a dependent student for the student's enrollment in such a program, \$56,250 per each such student.

(ii) in the case of a graduate or professional student for enrollment in a program of graduate or professional education at an eligible institution, \$150,000.

(C) *APPLICATION OF LIMITS TO BORROWERS WITH PART B OR D LOANS.*—

(i) *GRADUATE OR PROFESSIONAL STUDENTS.*—In the case of a graduate or professional student who is not described in subparagraph (E) and who has received loans made under part B or D for enrollment in a graduate or professional program at an eligible institution, the total amount of which equal or exceed \$28,500 as of the time of disbursement, the student may continue to borrow the amount of loans under this part necessary to complete such program without regard to the aggregate limit under subparagraph (B)(ii), except that the—

(I) amount of such loans shall not exceed the annual limits under subparagraph (A)(ii) for any academic year beginning after June 30, 2019; and

(II) authority to borrow loans in accordance with this subclause shall terminate at the end of the academic year ending before September 30, 2024.

(ii) *PARENT BORROWERS.*—In the case of a parent borrower who has received loans made under part B or D on behalf of a dependent student for the student's enrollment in a program of undergraduate education at an eligible institution, the total amount of which equal or exceed \$12,500 for such student as of the time of disbursement, the parent borrower may continue to borrow the amount of loans under this part necessary for such student to complete such program without regard to the aggregate limit under subparagraph (B)(i)(III), except that the—

(I) amount of such loans shall not exceed the annual limits under subparagraph (A)(iii) for any academic year beginning after June 30, 2019; and

(II) the authority to borrow loans in accordance with this subclause shall terminate at the end of

the academic year ending before September 30, 2024.

(D) INSTITUTIONAL DETERMINED LIMITS.—

(i) *IN GENERAL.*—Notwithstanding any other provision of this subsection, an eligible institution (at the discretion of a financial aid administrator at the institution) may prorate or limit the amount of a loan any student enrolled in a program of study at that institution may borrow under this part for an academic year—

(I) if the institution, using the most recently available data from the Bureau of Labor Statistics for the average starting salary in the region in which the institution is located for typical occupations pursued by graduates of such program, can reasonably demonstrate that student debt levels are or would be excessive for such program;

(II) in a case in which the student is enrolled on a less than full-time basis or the student is enrolled for less than the period of enrollment to which the annual loan limit applies under this subsection, based on the student's enrollment status;

(III) based on the credential level (such as a degree, certificate, or other recognized educational credential) that the student would attain upon completion of such program; or

(IV) based on the year of the program for which the student is seeking such loan.

(ii) *APPLICATION TO ALL STUDENTS.*—Any proration or limiting of loan amounts under clause (i) shall be applied in the same manner to all students enrolled in the institution or program of study.

(iii) *INCREASES FOR INDIVIDUAL STUDENTS.*—Upon the request of a student whose loan amount for an academic year has been prorated or limited under clause (i), an eligible institution (at the discretion of the financial aid administrator at the institution) may increase such loan amount to an amount not exceeding the annual loan amount applicable to such student under this subparagraph for such academic year if such student demonstrates special circumstances or exceptional need.

(E) INCREASES FOR CERTAIN GRADUATE OR PROFESSIONAL STUDENTS.—

(i) *ADDITIONAL ANNUAL AMOUNTS.*—Subject to clause (iii) of this subparagraph, in addition to the loan amount for an academic year described in subparagraph (A)(ii)—

(I) a graduate or professional student who is enrolled in a program of study to become a doctor of allopathic medicine, doctor of osteopathic medicine, doctor of dentistry, doctor of veterinary medicine, doctor of optometry, doctor of podiatric medi-

cine, doctor of naturopathic medicine, or doctor of naturopathy may borrow an additional—

(aa) in the case of a program with a 9-month academic year, \$20,000 for an academic year; or

(bb) in the case of a program with a 12-month academic year, \$26,667 for an academic year; and

(II) a graduate or professional student who is enrolled in a program of study to become a doctor of pharmacy, doctor of chiropractic medicine, or a physician's assistant, or receive a graduate degree in public health, doctoral degree in clinical psychology, or a masters or doctoral degree in health administration may borrow an additional—

(aa) in the case of a program with a 9-month academic year, \$12,500 for an academic year; or

(bb) in the case of a program with a 12-month academic year, \$16,667 for an academic year.

(ii) AGGREGATE LIMIT.—Subject to clause (iii) of this subparagraph, the maximum aggregate amount of loans under this part and parts B and D that a student described in clause (i) may borrow shall be \$235,500.

(iii) LIMITATION.—In the case of a graduate or professional student described in clause (i) of this subparagraph who has received loans made under part B or D for enrollment in a graduate or professional program at an eligible institution, the total amount of which equal or exceed \$28,500 as of the time of disbursement, the student may continue to borrow the amount of loans under this part necessary to complete such program without regard to the aggregate limit under clause (ii) of this subparagraph, except that the—

(I) amount of such loans shall not exceed the annual limits under clause (i) of this subparagraph for any academic year beginning after June 30, 2019; and

(II) authority to borrow loans in accordance with this subclause shall terminate at the end of the academic year ending before September 30, 2024.

(c) INTEREST RATE PROVISIONS FOR FEDERAL ONE LOANS.—

(1) UNDERGRADUATE ONE LOANS.—For Federal ONE Loans issued to undergraduate students, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

(A) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 2.05 percent; or

(B) 8.25 percent.

(2) *GRADUATE AND PROFESSIONAL ONE LOANS.*—For Federal ONE Loans issued to graduate or professional students, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

(A) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 3.6 percent; or

(B) 9.5 percent.

(3) *PARENT ONE LOANS.*—For Federal ONE Parent Loans, the applicable rate of interest shall, for loans disbursed during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the lesser of—

(A) a rate equal to the high yield of the 10-year Treasury note auctioned at the final auction held prior to such June 1 plus 4.6 percent; or

(B) 10.5 percent.

(4) *CONSOLIDATION LOANS.*—Any Federal ONE Consolidation Loan for which the application is received on or after July 1, 2019, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent.

(5) *PUBLICATION.*—The Secretary shall determine the applicable rates of interest under this subsection after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.

(6) *RATE.*—The applicable rate of interest determined under this subsection for a loan under this part shall be fixed for the period of the loan.

(d) *PROHIBITION ON CERTAIN REPAYMENT INCENTIVES.*—Notwithstanding any other provision of this part, the Secretary is prohibited from authorizing or providing any repayment incentive or subsidy not otherwise authorized under this part to encourage on-time repayment of a loan under this part, including any reduction in the interest paid by a borrower of such a loan, except that the Secretary may provide for an interest rate reduction of not more than 0.25 percentage points for a borrower who agrees to have payments on such a loan automatically debited from a bank account.

(e) *LOAN FEE.*—The Secretary shall not charge the borrower of a loan made under this part an origination fee.

(f) *ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.*—

(1) *AUTHORITY.*—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest on a loan made under this part to a member of the Armed Forces, the Secretary shall pay the interest on the loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest on such a loan out of any funds other than funds that have been so transferred.

(2) *DEFERMENT.*—During the period in which the Secretary is making payments on a loan under paragraph (1), the Secretary

shall grant the borrower administrative deferment, in the form of a temporary cessation of all payments on the loan other than the payments of interest on the loan that are made under that paragraph.

(g) NO ACCRUAL OF INTEREST FOR ACTIVE DUTY SERVICE MEMBERS.—

(1) **IN GENERAL.**—Notwithstanding any other provision of this part and in accordance with paragraphs (2) and (4), interest shall not accrue for an eligible military borrower on a loan made under this part.

(2) **CONSOLIDATION LOANS.**—In the case of any consolidation loan made under this part, interest shall not accrue pursuant to this subsection only on such portion of such loan as was used to repay a loan made under this part or a loan made under part D for which the first disbursement was made on or after October 1, 2008, and before July 1, 2019.

(3) **ELIGIBLE MILITARY BORROWER.**—In this subsection, the term “eligible military borrower” means an individual who—

(A)(i) is serving on active duty during a war or other military operation or national emergency; or

(ii) is performing qualifying National Guard duty during a war or other military operation or national emergency; and

(B) is serving in an area of hostilities in which service qualifies for special pay under section 310 of title 37, United States Code.

(4) **LIMITATION.**—An individual who qualifies as an eligible military borrower under this subsection may receive the benefit of this subsection for not more than 60 months.

SEC. 466. REPAYMENT.

(a) REPAYMENT PERIOD; COMMENCEMENT OF REPAYMENT.—

(1) REPAYMENT PERIOD.—

(A) **IN GENERAL.**—In the case of a Federal ONE Loan (other than a Federal ONE Consolidation Loan or a Federal ONE Parent Loan)—

(i) subject to clause (ii), the repayment period shall—

(I) exclude any period of authorized deferment under section 469A; and

(II) begin the day after 6 months after the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution); and

(ii) interest shall begin to accrue or be paid by the borrower on the day the loan is disbursed.

(B) **CONSOLIDATION AND PARENT LOANS.**—In the case of a Federal ONE Consolidation Loan or a Federal ONE Parent Loan, the repayment period shall—

(i) exclude any period of authorized deferment; and

(ii) begin—

(I) on the day the loan is disbursed; or

(II) if the loan is disbursed in multiple installments, on the day of the last such disbursement.

(C) **ACTIVE DUTY EXCLUSION.**—There shall be excluded from the 6-month period that begins on the date on which a student ceases to carry at least one-half the normal full-

time academic workload as described in subparagraph (A) any period not to exceed 3 years during which a borrower who is a member of a reserve component of the Armed Forces named in section 10101 of title 10, United States Code, is called or ordered to active duty for a period of more than 30 days (as defined in section 101(d)(2) of such title). Such period of exclusion shall include the period necessary to resume enrollment at the borrower's next available regular enrollment period.

(2) PAYMENT OF PRINCIPAL AND INTEREST.—

(A) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this part shall begin at the beginning of the repayment period described in paragraph (1).

(B) CAPITALIZATION OF INTEREST.—

(i) IN GENERAL.—Interest on loans made under this part for which payments of principal are not required during the 6-month period described in paragraph (1)(A)(i)(II) or for which payments are deferred under section 469A shall—

(I) be paid monthly or quarterly; or
(II) be added to the principal amount of the loan only—

(aa) when the loan enters repayment;
(bb) at the expiration of a the 6-month period described in paragraph (1)(A)(i)(II);
(cc) at the expiration of a period of deferment, unless otherwise exempted; or
(dd) when the borrower defaults.

(ii) MAXIMUM AGGREGATE LIMIT.—Interest capitalized shall not be deemed to exceed the amount equal to the maximum aggregate limit of the loan under section 465(b).

(C) NOTICE.—Not less than 60 days, and again not less than 30 days, prior to the anticipated commencement of the repayment period for a Federal ONE Loan, the Secretary shall provide notice to the borrower—

(i) that interest will accrue before repayment begins;
(ii) that interest will be added to the principal amount of the loan in the cases described in subparagraph (B)(i)(II); and
(iii) of the borrower's option to begin loan repayment prior to such repayment period.

(b) REPAYMENT AMOUNT.—

(1) IN GENERAL.—The total of the payments by a borrower, except as otherwise provided by an income-based repayment plan under subsection (d), during any year of any repayment period with respect to the aggregate amount of all loans made under this part to the borrower shall not (unless the borrower and the Secretary otherwise agree), be less than \$600 or the balance of all such loans (together with interest thereon), whichever amount is less (but in no instance less than the amount of interest due and payable, notwithstanding any repayment plan described in subsection (c)).

(2) AMORTIZATION.—

(A) *INTEREST RATE.*—The amount of the periodic payment and the repayment schedule for a loan made under this part shall be established by assuming an interest rate equal to the applicable rate of interest at the time of the first disbursement of the loan.

(B) *ADJUSTMENT TO REPAYMENT AMOUNT.*—The note or other written evidence of a loan under this part shall require that the amount of the periodic payment will be adjusted annually in order to reflect adjustments in—

(i) interest rates occurring as a consequence of variable rate loans under parts B or D paid in conjunction with Federal ONE Loans under subsection (d)(1)(B)(i); or

(ii) principal occurring as a consequence of interest capitalization under subsection (a)(2)(B).

(c) *REPAYMENT PLANS.*—

(1) *DESIGN AND SELECTION.*—Not more than 6 months prior to the date on which a borrower's first payment on a loan made under this part is due, the Secretary shall offer the borrower two plans for repayment of such loan, including principal and interest on the loan. The borrower shall be entitled to accelerate, without penalty, repayment on the borrower's loans under this part. The borrower may choose—

(A) a standard repayment plan with a fixed monthly repayment amount paid over a fixed period of time, not to exceed 10 years; or

(B) an income-based repayment plan under subsection (d).

(2) *SELECTION BY SECRETARY.*—If a borrower of a loan made under this part does not select a repayment plan described in paragraph (1), the Secretary shall provide the borrower with the repayment plan described in paragraph (1)(A).

(3) *CHANGES IN SELECTIONS.*—

(A) *IN GENERAL.*—Subject to subparagraph (B), the borrower of a loan made under this part may change the borrower's selection of a repayment plan under paragraph (1), or the Secretary's selection of a plan for the borrower under paragraph (2), as the case may be, under such terms and conditions as may be established by the Secretary, except that the Secretary may not establish any terms or conditions with respect to whether a borrower may change the borrower's repayment plan. Nothing in this subsection shall prohibit the Secretary from encouraging struggling borrowers from enrolling in the income-driven repayment plan described in section 466(d).

(B) *SAME REPAYMENT PLAN REQUIRED.*—All loans made under this part to a borrower shall be repaid under the same repayment plan under paragraph (1), except that the borrower may repay a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan (as defined in subsection (d)(5)) separately from other loans made under this part to the borrower.

(4) *REPAYMENT AFTER DEFAULT.*—The Secretary may require any borrower who has defaulted on a loan made under this part to—

- (A) pay all reasonable collection costs associated with such loan; and
 - (B) repay the loan pursuant to the income-based repayment plan under subsection (d).
- (5) *REPAYMENT PERIOD.*—For purposes of calculating the repayment period under this subsection, such period shall commence at the time the first payment of principal is due from the borrower.
- (6) *INSTALLMENTS.*—Repayment of loans under this part shall be in installments in accordance with the repayment plan selected under paragraph (1) and commencing at the beginning of the repayment period determined under paragraph (5).
- (d) *INCOME-BASED REPAYMENT PROGRAM.*—
- (1) *IN GENERAL.*—Notwithstanding any other provision of this Act, the Secretary shall carry out a program under which—
 - (A) a borrower of any loan made under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan) may elect to have the borrower's aggregate monthly payment for all such loans—
 - (i) not to exceed the result obtained by dividing by 12, 15 percent of the result obtained by calculating, on at least an annual basis, the amount by which—
 - (I) the adjusted gross income of the borrower or, if the borrower is married and files a Federal income tax return jointly with or separately from the borrower's spouse, the adjusted gross income of the borrower and the borrower's spouse; exceeds
 - (II) 150 percent of the poverty line applicable to the borrower's family size as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)); and
 - (ii) not to be less than \$25;
 - (B) the Secretary adjusts the calculated monthly payment under subparagraph (A), if—
 - (i) in addition to the loans described in subparagraph (A), the borrower has an outstanding loan made under part B or D (other than an excepted parent loan or an excepted consolidation loan, as such terms are defined in section 493C(a)), by determining the borrower's adjusted monthly payment by multiplying—
 - (I) the calculated monthly payment, by
 - (II) the percentage of the total outstanding principal amount of the borrower's loans described in the matter preceding subclause (I), which are described in subparagraph (A);
 - (ii) the borrower and borrower's spouse have loans described in subparagraph (A) and outstanding loans under part B or D (other than an excepted parent loan or an excepted consolidation loan, as such terms are defined in section 493C(a)) and have filed a joint or separate Federal income tax return, in which case the Secretary determines—
 - (I) each borrower's percentage of the couple's total outstanding amount of principal on such loans;

(II) the adjusted monthly payment for each borrower by multiplying the borrower's calculated monthly payment by the percentage determined under subclause (I) applicable to the borrower; and

(III) if the borrower's loans are held by multiple holders, the borrower's adjusted monthly payment for loans described in subparagraph (A) by multiplying the adjusted monthly payment determined under subclause (II) by the percentage of the total outstanding principal amount of the borrower's loans described in the matter preceding subclause (I), which are described in subparagraph (A);

(C) the holder of such a loan shall apply the borrower's monthly payment under this subsection first toward interest due on the loan, next toward any fees due on the loan, and then toward the principal of the loan;

(D) any principal due and not paid under subparagraph (C) shall be deferred;

(E) any interest due and not paid under subparagraph (C) shall be capitalized, at the time the borrower—

(i) ends the election to make income-based repayment under this subsection; or

(ii) begins making payments of not less than the amount specified in subparagraph (G)(i);

(F) the amount of time the borrower makes monthly payments under subparagraph (A) may exceed 10 years;

(G) if the borrower no longer wishes to continue the election under this subsection, then—

(i) the maximum monthly payment required to be paid for all loans made to the borrower under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan) shall not exceed the monthly amount calculated under subsection (c)(1)(A), based on a 10-year repayment period, when the borrower first made the election described in this subsection; and

(ii) the amount of time the borrower is permitted to repay such loans may exceed 10 years;

(H) the Secretary shall cancel any outstanding balance (other than an amount equal to the interest accrued during any period of in-school deferment under subparagraph (A), (B), or (F) of section 469A(b)(1)) due on all loans made under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan) to a borrower—

(i) who, at any time, elected to participate in income-based repayment under subparagraph (A);

(ii) whose final monthly payment for such loans prior to the loan cancellation under this subparagraph was made under such income-based repayment; and

(iii) who has repaid, pursuant to income-based repayment under subparagraph (A), a standard repayment plan under subsection (c)(1)(A), or a combination—

(I) an amount on such loans that is equal to the total amount of principal and interest that the borrower would have repaid under a standard repayment plan under subsection (c)(1)(A), based on a 10-year repayment period, when the borrower entered repayment on such loans; and

(II) the amount of interest that accrues during a period of deferment described in section 469A prior to the completion of the repayment period described in subclause (I) on the portion of such loans remaining to be repaid in accordance with such subclause; and

(I) a borrower who is repaying a loan made under this part pursuant to income-based repayment under subparagraph (A) may elect, at any time during the 10-year period beginning on the date the borrower entered repayment on the loan, to terminate repayment pursuant to such income-based repayment and repay such loan under the standard repayment plan.

(2) **ELIGIBILITY DETERMINATIONS.**—

(A) **IN GENERAL.**—The Secretary shall establish procedures for annual verification of a borrower's annual income and the annual amount due on the total amount of loans made under this part (other than a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan), and such other procedures as are necessary to implement effectively income-based repayment under this subsection, including the procedures established with respect to section 493C.

(B) **INCOME INFORMATION.**—The Secretary may obtain such information as is reasonably necessary regarding the income of a borrower (and the borrower's spouse, if applicable) of a loan made under this part that is, or may be, repaid pursuant to income-based repayment under this subsection, for the purpose of determining the annual repayment obligation of the borrower. The Secretary shall establish procedures for determining the borrower's repayment obligation on that loan for such year, and such other procedures as are necessary to implement effectively the income-based repayment under this subsection.

(C) **BORROWER REQUIREMENTS.**—A borrower who chooses to repay a loan made under this part pursuant to income-based repayment under this subsection, and—

(i) for whom adjusted gross income is available and reasonably reflects the borrower's current income, shall, to the maximum extent practicable, provide to the Secretary the Federal tax information of the borrower; and

(ii) for whom adjusted gross income is unavailable or does not reasonably reflect the borrower's current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine an appropriate repayment schedule.

(3) **NOTIFICATION TO BORROWERS.**—The Secretary shall establish procedures under which a borrower of a loan made under

this part who chooses to repay such loan pursuant to income-based repayment under this subsection is notified of the terms and conditions of such plan, including notification that if a borrower considers that special circumstances, such as a loss of employment by the borrower or the borrower's spouse, warrant an adjustment in the borrower's loan repayment as determined using the borrower's Federal tax return information, or the alternative documentation described in paragraph (2)(C), the borrower may contact the Secretary, who shall determine whether such adjustment is appropriate, in accordance with criteria established by the Secretary.

(4) REDUCED PAYMENT PERIODS.—

(A) IN GENERAL.—*The Secretary shall authorize borrowers meeting the criteria under subparagraph (B) to make monthly payments of \$5 for a period not in excess of 3 years, except that—*

(i) for purposes of subparagraph (B)(i), the Secretary may authorize reduced payments in 6-month increments, beginning on the date the borrower provides to the Secretary the evidence described in subclause (I) or (II) of subparagraph (B)(i); and

(ii) for purposes of subparagraph (B)(ii), the Secretary may authorize reduced payments in 3-month increments, beginning on the date the borrower provides to the Secretary the evidence described in subparagraph (B)(ii)(I).

(B) ELIGIBILITY DETERMINATIONS.—*The Secretary shall authorize borrowers to make reduced payments under this paragraph in the following circumstances:*

(i) In a case of borrower who is seeking and unable to find full-time employment, as demonstrated by providing to the Secretary—

(I) evidence of the borrower's eligibility for unemployment benefits to the Secretary; or

(II) a written certification or an equivalent that—

(aa) the borrower has registered with a public or private employment agency that is available to the borrower within a 50-mile radius of the borrower's home address; and

(bb) in the case of a borrower that has been granted a request under this subparagraph, the borrower has made at least six diligent attempts during the preceding six-month period to secure full-time employment.

(ii) The Secretary determines that, due to high medical expenses, the \$25 monthly payment the borrower would otherwise make would be an extreme economic hardship to the borrower, if—

(I) the borrower documents the reason why the \$25 minimum payment is an extreme economic hardship; and

(II) the borrower recertifies the reason for the \$5 minimum payment on a three-month basis.

(C) *DEFINITION.*—For purpose of this section, the term “full-time employment” means employment that will provide not less than 30 hours of work a week and is expected to continue for a period of not less than 3 months.

(5) *DEFINITIONS.*—In this subsection:

(A) *ADJUSTED GROSS INCOME.*—The term “adjusted gross income” has the meaning given the term in section 62 of the Internal Revenue Code of 1986.

(B) *EXCEPTED FEDERAL ONE CONSOLIDATION LOAN.*—The term “Excepted Federal ONE Consolidation Loan” means a Federal ONE Consolidation Loan if the proceeds of such loan were used to discharge the liability on—

(i) a Federal ONE Parent Loan;

(ii) a Federal Direct PLUS Loan, or a loan under section 428B, that is made, insured, or guaranteed on behalf of a dependent student;

(iii) an excepted consolidation loan (defined in section 493C); or

(iv) a Federal ONE Consolidation loan that was used to discharge the liability on a loan described in clause (i), (ii), or (iii).

(e) *RULES OF CONSTRUCTION.*—Nothing in this section shall be construed to authorize, with respect to loans made under this part—

(1) eligibility for a repayment plan that is not described in subsection (c)(1) or section 468(c); or

(2) the Secretary to—

(A) carry out a repayment plan, which is not described in subsection (c)(1) or section 468(c); or

(B) modify a repayment plan that is described in subsection (c)(1) or section 468(c).

SEC. 467. FEDERAL ONE PARENT LOANS.

(a) *AUTHORITY TO BORROW.*—

(1) *AUTHORITY AND ELIGIBILITY.*—The parent of a dependent student shall be eligible to borrow funds under this section in amounts specified in subsection (b), if—

(A) the parent is borrowing to pay for the educational costs of a dependent student who meets the requirements for an eligible student under section 484(a);

(B) the parent meets the applicable requirements concerning defaults and overpayments that apply to a student borrower;

(C) the parent complies with the requirements for submission of a statement of educational purpose that apply to a student borrower under section 484(a)(4)(A) (other than the completion of a statement of selective service registration status);

(D) the parent meets the requirements that apply to a student under section 437(a);

(E) the parent—

(i) does not have an adverse credit history; or

(ii) has an adverse credit history, but has—

(I) obtained an endorser who does not have an adverse credit history or documented to the satisfaction of the Secretary that extenuating cir-

cumstances exist in accordance with paragraph (4)(D); and

(II) completed Federal ONE Parent Loan counseling offered by the Secretary; and

(F) in the case of a parent who has been convicted of, or has pled nolo contendere or guilty to, a crime involving fraud in obtaining funds under this title, such parent has completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud.

(2) TERMS, CONDITIONS, AND BENEFITS.—Except as provided in subsections (c), (d), and (e), loans made under this section shall have the same terms, conditions, and benefits as all other loans made under this part.

(3) PARENT BORROWERS.—

(A) DEFINITION.—For purposes of this section, the term “parent” includes a student’s biological or adoptive mother or father or the student’s stepparent, if the biological parent or adoptive mother or father has remarried at the time of filing the common financial reporting form under section 483(a), and that spouse’s income and assets would have been taken into account when calculating the student’s expected family contribution.

(B) CLARIFICATION.—Whenever necessary to carry out the provisions of this section, the terms “student” and “borrower” as used in this part shall include a parent borrower under this section.

(4) ADVERSE CREDIT HISTORY DEFINITIONS AND ADJUSTMENTS.—

(A) DEFINITIONS.—For purposes of this section:

(i) IN GENERAL.—The term “adverse credit history”, when used with respect to a borrower, means that the borrower—

(I) has one or more debts with a total combined outstanding balance equal to or greater than \$2,085, as may be adjusted by the Secretary in accordance with subparagraph (B), that—

(aa) are 90 or more days delinquent as of the date of the credit report; or

(bb) have been placed in collection or charged off during the two years preceding the date of the credit report; or

(II) has been the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or write-off of a debt under this title during the 5 years preceding the date of the credit report.

(ii) CHARGED OFF.—The term “charged off” means a debt that a creditor has written off as a loss, but that is still subject to collection action.

(iii) IN COLLECTION.—The term “in collection” means a debt that has been placed with a collection agency by a creditor or that is subject to more intensive efforts by a creditor to recover amounts owed from a borrower who has not responded satisfactorily to the demands

routinely made as part of the creditor's billing procedures.

(B) ADJUSTMENTS.—

(i) **IN GENERAL.**—In a case of a borrower with a debt amount described in subparagraph (A)(i), the Secretary shall increase such debt amount, or its inflation-adjusted equivalent, if the Secretary determines that an inflation adjustment to such debt amount would result in an increase of \$100 or more to such debt amount.

(ii) **INFLATION ADJUSTMENT.**—In making the inflation adjustment under clause (i), the Secretary shall—

(I) use the annual average percent change of the All Items Consumer Price Index for All Urban Consumers, before seasonal adjustment, as the measurement of inflation; and

(II) if the adjustment calculated under subclause (I) is equal to or greater than \$100—

(aa) add the adjustment to the debt amount, or its inflation-adjusted equivalent; and

(bb) round up to the nearest \$5.

(iii) **PUBLICATION.**—The Secretary shall publish a notice in the Federal Register announcing any increase to the threshold amount specified in subparagraph (A)(i)(I).

(C) TREATMENT OF ABSENCE OF CREDIT HISTORY.—For purposes of this section, the Secretary shall not consider the absence of a credit history as an adverse credit history and shall not deny a Federal ONE Parent loan on that basis.

(D) EXTENUATING CIRCUMSTANCES.—For purposes of this section, the Secretary may determine that extenuating circumstances exist based on documentation that may include—

(i) an updated credit report for the parent; or

(ii) a statement from the creditor that the parent has repaid or made satisfactory arrangements to repay a debt that was considered in determining that the parent has an adverse credit history

(b) **LIMITATION BASED ON NEED.**—Any loan under this section may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any parent under this section for any academic year in excess of the lesser of—

(1) the student's estimated cost of attendance minus the student's estimated financial assistance (as calculated under section 465(b)(1)(A)); or

(2) the established annual loan limits for such loan under section 465(b).

(c) **PARENT LOAN DISBURSEMENT.**—All loans made under this section shall be disbursed in accordance with the requirements of section 465(a) and shall be disbursed by—

(1) an electronic transfer of funds from the lender to the eligible institution; or

(2) a check copayable to the eligible institution and the parent borrower.

(d) **PAYMENT OF PRINCIPAL AND INTEREST.**—

(1) *COMMENCEMENT OF REPAYMENT.*—Repayment of principal on loans made under this section shall commence not later than 60 days after the date such loan is disbursed by the Secretary, subject to deferral—

(A) during any period during which the parent borrower meets the conditions required for a deferral under section 469A; and

(B) upon the request of the parent borrower, during the 6-month period beginning, if the parent borrower is also a student, the day after the date such parent borrower ceases to carry at least one-half such a workload.

(2) *MAXIMUM REPAYMENT PERIOD.*—The maximum repayment period for a loan made under this section shall be a 10-year period beginning on the commencement of such period described in paragraph (1).

(3) *CAPITALIZATION OF INTEREST.*—Interest on loans made under this section for which payments of principal are deferred pursuant to paragraph (1) shall, if agreed upon by the borrower and the Secretary—

(A) be paid monthly or quarterly; or

(B) be added to the principal amount of the loan not more frequently than quarterly by the Secretary.

(4) *APPLICABLE RATES OF INTEREST.*—Interest on loans made pursuant to this section shall be at the applicable rate of interest provided in section 465(c)(3) for loans made under this section.

(5) *AMORTIZATION.*—Section 466(b)(2) shall apply to each loan made under this section.

(e) *VERIFICATION OF IMMIGRATION STATUS AND SOCIAL SECURITY NUMBER.*—A parent who wishes to borrow funds under this section shall be subject to verification of the parent's—

(1) immigration status in the same manner as immigration status is verified for students under section 484(g); and

(2) social security number in the same manner as social security numbers are verified for students under section 484(p).

(f) *DESIGNATION.*—For purposes of this Act, the Federal ONE Loans described in this section shall be known as “Federal ONE Parent Loans”.

SEC. 468. FEDERAL ONE CONSOLIDATION LOANS.

(a) *TERMS AND CONDITIONS.*—In making consolidation loans under this section, the Secretary shall—

(1) not make such a loan to an eligible borrower, unless the Secretary has determined, in accordance with reasonable and prudent business practices, for each loan being consolidated, that the loan—

(A) is a legal, valid, and binding obligation of the borrower; and

(B) was made and serviced in compliance with applicable laws and regulations;

(2) ensure that each consolidation loan made under this section will bear interest, and be subject to repayment, in accordance with subsection (c), except as otherwise provided under subsections (f) and (g) of section 465;

(3) ensure that each consolidation loan will be made, notwithstanding any other provision of this part limiting the annual or

aggregate principal amount for all loans made to a borrower, in an amount which is equal to the sum of the unpaid principal and accrued unpaid interest and late charges of all eligible student loans received by the eligible borrower which are selected by the borrower for consolidation;

(4) ensure that the proceeds of each consolidation loan will be paid by the Secretary to the holder or holders of the loans so selected to discharge the liability on such loans;

(5) disclose to a prospective borrower, in simple and understandable terms, at the time the Secretary provides an application for a consolidation loan—

(A) with respect to a loan made, insured, or guaranteed under this part, part B, or part D, that if a borrower includes such a loan in the consolidation loan—

(i) that the consolidation would result in a loss of loan benefits; and

(ii) which specific loan benefits the borrower would lose, including the loss of eligibility for loan forgiveness (including loss of eligibility for interest rate forgiveness), cancellation, deferment, forbearance, interest-free periods, or loan repayment programs that would have been available for such a loan; and

(B) with respect to Federal Perkins Loans under this part (as this part was in effect on the day before the date of enactment of the PROSPER Act)—

(i) that if a borrower includes such a Federal Perkins Loan in the consolidation loan, the borrower will lose all interest-free periods that would have been available for the Federal Perkins Loan, such as—

(I) the periods during which no interest accrues on such loan while the borrower is enrolled in an institution of higher education at least half-time;

(II) the grace period under section 464(c)(1)(A) (as such section was in effect on the day before the date of enactment of the PROSPER Act); and

(III) the periods during which the borrower's student loan repayments are deferred under section 464(c)(2) (as such section was in effect on the day before the date of enactment of the PROSPER Act); and

(ii) that if a borrower includes such a Federal Perkins Loan in the consolidation loan, the borrower will no longer be eligible for cancellation of part or all of the Federal Perkins Loan under section 465(a) (as such section was in effect on the day before the date of enactment of the PROSPER Act); and

(iii) the occupations listed in section 465 that qualify for Federal Perkins Loan cancellation under section 465(a) (as such section was in effect on the day before the date of enactment of the PROSPER Act);

(C) the repayment plans that are available to the borrower under section (c);

(D) the options of the borrower to prepay the consolidation loan, to pay such loan on a shorter schedule, and to change repayment plans;

- (E) the consequences of default on the consolidation loan; and
- (F) that by applying for a consolidation loan, the borrower is not obligated to agree to take the consolidation loan; and
- (6) not make such a loan to an eligible borrower, unless—
- (A) the borrower has agreed to notify the Secretary promptly concerning any change of address; and
- (B) the loan is evidenced by a note or other written agreement which—
- (i) is made without security and without endorsement, except that if—
- (I) the borrower is a minor and such note or other written agreement executed by him or her would not, under applicable law, create a binding obligation, endorsement may be required; or
- (II) the borrower desires to include in the consolidation loan, a Federal ONE Parent Loan, or a loan under section 428B, or a Federal Direct PLUS loan, made on behalf of a dependent student, endorsement shall be required;
- (ii) provides for the payment of interest and the repayment of principal as described in paragraph (2);
- (iii) provides that during any period for which the borrower would be eligible for a deferral under section 469A, which period shall not be included in determining the repayment schedule pursuant to subsection (c)—
- (I) periodic installments of principal need not be paid, but interest shall accrue and be paid by the borrower or be capitalized; and
- (II) except as otherwise provided under subsections (f) and (g) of section 465, the Secretary shall not pay interest on any portion of the consolidation loan, without regard to whether the portion repays Federal Stafford Loans for which the student borrower received an interest subsidy under section 428 or Federal Direct Stafford Loans for which the borrower received an interest subsidy under section 455;
- (iv) entitles the borrower to accelerate without penalty repayment of the whole or any part of the loan; and
- (v) contains a notice of the system of disclosure concerning such loan to consumer reporting agencies under section 430A, and provides that the Secretary on request of the borrower will provide information on the repayment status of the note to such consumer reporting agencies.
- (b) **NONDISCRIMINATION IN LOAN CONSOLIDATION.**—The Secretary shall not discriminate against any borrower seeking a loan under this section—
- (1) based on the number or type of eligible student loans the borrower seeks to consolidate;

(2) based on the type or category of institution of higher education that the borrower attended;

(3) based on the interest rate to be charged to the borrower with respect to the consolidation loan; or

(4) with respect to the types of repayment schedules offered to such borrower.

(c) PAYMENT OF PRINCIPAL AND INTEREST.—

(1) REPAYMENT SCHEDULES.—

(A) ESTABLISHMENT.—

(i) IN GENERAL.—Notwithstanding any other provision of this part, the Secretary shall—

(I) establish repayment terms as will promote the objectives of this section; and

(II) provide a borrower with the option of the standard-repayment plan or income-based repayment plan under section 466(d) in lieu of such repayment terms.

(ii) SCHEDULE TERMS.—The repayment terms established under clause (i)(I) shall require that if the sum of the consolidation loan and the amount outstanding on other eligible student loans to the individual—

(I) is less than \$7,500, then such consolidation loan shall be repaid in not more than 10 years;

(II) is equal to or greater than \$7,500 but less than \$10,000, then such consolidation loan shall be repaid in not more than 12 years;

(III) is equal to or greater than \$10,000 but less than \$20,000, then such consolidation loan shall be repaid in not more than 15 years;

(IV) is equal to or greater than \$20,000 but less than \$40,000, then such consolidation loan shall be repaid in not more than 20 years;

(V) is equal to or greater than \$40,000 but less than \$60,000, then such consolidation loan shall be repaid in not more than 25 years; or

(VI) is equal to or greater than \$60,000, then such consolidation loan shall be repaid in not more than 30 years.

(B) LIMITATION.—The amount outstanding on other eligible student loans which may be counted for the purpose of subparagraph (A) may not exceed the amount of the consolidation loan.

(2) ADDITIONAL REPAYMENT REQUIREMENTS.—Notwithstanding paragraph (1)—

(A) except in the case of an income-based repayment schedule under section 466(d), a repayment schedule established with respect to a consolidation loan shall require that the minimum installment payment be an amount equal to not less than the accrued unpaid interest; and

(B) an income-based repayment schedule under section 466(d) shall not be available to a consolidation loan borrower who—

(i) used the proceeds of a Federal ONE Consolidation loan to discharge the liability—

(I) on a loan under section 428B made on behalf of a dependent student;

(II) a Federal Direct PLUS loan made on behalf of a dependent student;

(III) a Federal ONE Parent loan; or

(IV) an excepted consolidation loan (defined in section 493C); or

(ii) used the proceeds of a subsequent Federal ONE Consolidation loan to discharge the liability on a Federal ONE Consolidation loan described in clause (i).

(3) **COMMENCEMENT OF REPAYMENT.**—Repayment of a consolidation loan shall commence within 60 days after all holders have, pursuant to subsection (a)(4), discharged the liability of the borrower on the loans selected for consolidation.

(4) **INTEREST RATE.**—A consolidation loan made under this section shall bear interest at an annual rate described in section 465(c)(4).

(d) **INSURANCE RULE.**—Any insurance premium paid by the borrower under subpart I of part A of title VII of the Public Health Service Act with respect to a loan made under that subpart and consolidated under this section shall be retained by the student loan insurance account established under section 710 of the Public Health Service Act.

(e) **DEFINITIONS.**—For the purpose of this section:

(1) **ELIGIBLE BORROWER.**—

(A) **IN GENERAL.**—The term “eligible borrower” means a borrower who—

(i) is not subject to a judgment secured through litigation with respect to a loan under this title or to an order for wage garnishment under section 488A; and

(ii) at the time of application for a consolidation loan—

(I) is in repayment status as determined under section 466(a)(1);

(II) is in a grace period preceding repayment; or

(III) is a defaulted borrower who has made arrangements to repay the obligation on the defaulted loans satisfactory to the holders of the defaulted loans.

(B) **TERMINATION OF STATUS AS AN ELIGIBLE BORROWER.**—An individual’s status as an eligible borrower under this section terminates upon receipt of a consolidation loan under this section, except that—

(i) an individual who receives eligible student loans after the date of receipt of the consolidation loan may receive a subsequent consolidation loan;

(ii) loans received prior to the date of the consolidation loan may be added during the 180-day period following the making of the consolidation loan;

(iii) loans received following the making of the consolidation loan may be added during the 180-day period following the making of the consolidation loan;

(iv) loans received prior to the date of the first consolidation loan may be added to a subsequent consolidation loan; and

(v) an individual may obtain a subsequent consolidation loan for the purpose—

(I) of income-based repayment under section 466(d) only if the loan has been submitted for default aversion or if the loan is already in default;

(II) of using the no accrual of interest for active duty service members benefit offered under section 465(g); of

(III) of submitting an application under section 469B(d) for a borrower defense to repayment of a loan made, insured, or guaranteed under this title.

(2) **ELIGIBLE STUDENT LOANS.**—For the purpose of paragraph (1), the term “eligible student loans” means loans—

(A) made, insured, or guaranteed under part B, and first disbursed before July 1, 2010, including loans on which the borrower has defaulted (but has made arrangements to repay the obligation on the defaulted loans satisfactory to the Secretary or guaranty agency, whichever insured the loans);

(B) made under part D of this title, and first disbursed before July 1, 2019;

(C) made under this part before September 30, 2017;

(D) made under this part on or after the date of enactment of the PROSPER Act;

(E) made under subpart II of part A of title VII of the Public Health Service Act; or

(F) made under part E of title VIII of the Public Health Service Act.

(f) **DESIGNATION.**—For purposes of this Act, the Federal ONE Loans described in this section shall be known as “Federal ONE Consolidation Loans”.

SEC. 469. TEMPORARY LOAN CONSOLIDATION AUTHORITY.

(a) **IN GENERAL.**—A borrower who has 1 or more loans in 2 or more of the categories described in subsection (b), and who has not yet entered repayment on 1 or more of those loans in any of the categories, may consolidate all of the loans of the borrower that are described in subsection (b) into a Federal ONE Consolidation Loan during the period described in subsection (c).

(b) **CATEGORIES OF LOANS THAT MAY BE CONSOLIDATED.**—The categories of loans that may be consolidated under this section are—

(1) loans made under this part before October 1, 2017 and on or after July 1, 2019;

(2) loans purchased by the Secretary pursuant to section 459A;

(3) loans made under part B that are held by an eligible lender, as such term is defined in section 435(d); and

(4) loans made under part D.

(c) **TIME PERIOD IN WHICH LOANS MAY BE CONSOLIDATED.**—The Secretary may make a Federal ONE Consolidation Loan under this section to a borrower whose application for such Federal ONE Consolidation Loan is received on or after July 1, 2019, and before July 1, 2024.

(d) **TERMS OF LOANS.**—A Federal ONE Consolidation Loan made under this subsection shall have the same terms and conditions as a Federal ONE Consolidation Loan made under section 468, except

that in determining the applicable rate of interest on the Federal ONE Consolidation Loan made under this section, section 465(c)(4) shall be applied without rounding the weighted average of the interest rate on the loans consolidated to the nearest higher one-eighth of one percent as in such section.

SEC. 469A. DEFERMENT.

(a) *EFFECT ON PRINCIPAL AND INTEREST.*—A borrower of a loan made under this part who meets the requirements described in subsection (b) shall be eligible for a deferment during which installments of principal need not be paid and, unless otherwise provided in this subsection, interest shall accrue and be capitalized or paid by the borrower.

(b) *ELIGIBILITY.*—A borrower of a loan made under this part shall be eligible for a deferment—

(1) during any period during which the borrower—

(A) is carrying at least one-half the normal full-time work load for the course of study that the borrower is pursuing, as determined by the eligible institution the borrower is attending;

(B) is pursuing a course of study pursuant to—

(i) an eligible graduate fellowship program in accordance with subsection (g); or

(ii) an eligible rehabilitation training program for individuals with disabilities in accordance with subsection (i);

(C) is serving on active duty during a war or other military operation or national emergency, and for the 180-day period following the demobilization date for such service;

(D) is performing qualifying National Guard duty during a war or other military operation or national emergency, and for the 180-day period following the demobilization date for such service;

(E) is a member of the National Guard who is not eligible for a post-active duty deferment under section 493D and is engaged in active State duty for a period of more than 30 consecutive days beginning—

(i) the day after 6 months after the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution); or

(ii) the day after the borrower ceases enrollment on at least a half-time basis, for a loan in repayment;

(F) is serving in a medical or dental internship or residency program, the successful completion of which is required to begin professional practice or service, or is serving in a medical or dental internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers postgraduate training; or

(G) is eligible for interest payments to be made on a loan made under this part for service in the Armed Forces under section 2174 of title 10, United States Code, and pursuant to that eligibility, the interest is being paid on such loan under section 465(f);

(2) during a period sufficient to enable the borrower to resume honoring the agreement to repay the outstanding balance of principal and interest on the loan after default, if—

- (A) the borrower signs a new agreement to repay such outstanding balance;
 - (B) the deferment period is limited to 120 days; and
 - (C) such deferment is not granted for consecutive periods;
- (3) during a period of administrative deferment described in subsection (j); or
- (4) in the case of a borrower of a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan, during a period described in subsection (k).

(c) **LENGTH OF DEFERMENT.**—A deferment granted by the Secretary—

- (1) under subparagraph (F) or (G) of subsection (b)(1) shall be renewable at 12 month intervals;
- (2) under subparagraph (F) of subsection (b)(1) shall equal the length of time remaining in the borrower's medical or dental internship or residency program; and
- (3) under subparagraph (G) of subsection (b)(1) shall not exceed 3 years.

(d) **REQUEST AND DOCUMENTATION.**—The Secretary shall determine the eligibility of a borrower for a deferment under paragraphs (1), (2), or (4) of subsection (b), or in the case of a loan for which an endorser is required, an endorser's eligibility for a deferment under paragraph (2) or (4) or eligibility to request a deferment under paragraph (1), based on—

- (1) the receipt of a request for a deferment from the borrower or the endorser, and documentation of the borrower's or endorser's eligibility for the deferment or eligibility to request the deferment;
- (2) receipt of a completed loan application that documents the borrower's eligibility for a deferment;
- (3) receipt of a student status information documenting that the borrower is enrolled on at least a half-time basis; or
- (4) the Secretary's confirmation of the borrower's half-time enrollment status, if the confirmation is requested by the institution of higher education.

(e) **NOTIFICATION.**—The Secretary shall—

- (1) notify a borrower of a loan made under this part—
 - (A) the granting of a deferment under this subsection on such loan; and
 - (B) the option of the borrower to continue making payments on the outstanding balance of principal and interest on such loan in accordance with subsection (f);
- (2) at the time the Secretary grants a deferment to a borrower of a loan made under this part, and not less frequently than once every 180 days during the period of such deferment, provide information to the borrower to assist the borrower in understanding—
 - (A) the effect of granting a deferment on the total amount to be paid under the income-based repayment plan under 466(d);

(B) the fact that interest will accrue on the loan for the period of deferment, other than for a deferment granted under subsection (b)(1)(G);

(C) the amount of unpaid principal and the amount of interest that has accrued since the last statement of such amounts provided to the borrower;

(D) the amount of interest that will be capitalized, and the date on which capitalization will occur;

(E) the effect of the capitalization of interest on the borrower's loan principal and on the total amount of interest to be paid on the loan;

(F) the option of the borrower to pay the interest that has accrued before the interest is capitalized; and

(G) the borrower's option to discontinue the deferment at any time.

(f) *FORM OF DEFERMENT.*—The form of a deferment granted under this subsection on a loan made under this part shall be temporary cessation of all payments on such loan, except that—

(1) in the case of a deferment granted under subsection (b)(1)(G), payments of interest on the loan will be made by the Secretary under section 465(f) during such period of deferment; and

(2) a borrower may make payments on the outstanding balance of principal and interest on such loan during any period of deferment granted under this subsection.

(g) *GRADUATE FELLOWSHIP DEFERMENT.*—

(1) *IN GENERAL.*—A borrower of a loan under this part is eligible for a deferment under subsection (b)(1)(B)(i) during any period for which an authorized official of the borrower's graduate fellowship program certifies that the borrower meets the requirements of paragraph (2) and is pursuing a course of study pursuant to an eligible graduate fellowship program.

(2) *BORROWER REQUIREMENTS.*—A borrower meets the requirements of this subparagraph if the borrower—

(A) holds at least a baccalaureate degree conferred by an institution of higher education;

(B) has been accepted or recommended by an institution of higher education for acceptance on a full-time basis into an eligible graduate fellowship program; and

(C) is not serving in a medical internship or residency program, except for a residency program in dentistry.

(h) *TREATMENT OF STUDY OUTSIDE THE UNITED STATES.*—

(1) *IN GENERAL.*—The Secretary shall treat, in the same manner as required under section 428(b)(4), any course of study at a foreign university that is accepted for the completion of a recognized international fellowship program by the administrator of such a program as an eligible graduate fellowship program.

(2) *REQUESTS FOR DEFERMENT.*—Requests for deferment of repayment of loans under this subsection by students engaged in graduate or postgraduate fellowship-supported study (such as pursuant to a Fulbright grant) outside the United States shall be approved until completion of the period of the fellowship, in the same manner as required under section 428(b)(4).

(i) *REHABILITATION TRAINING PROGRAM DEFERMENT.*—A borrower of a loan under this part is eligible for a deferment under subsection

(b)(1)(B)(ii) during any period for which an authorized official of the borrower's rehabilitation training program certifies that the borrower is pursuing an eligible rehabilitation training program for individuals with disabilities.

(j) **ADMINISTRATIVE DEFERMENTS.**—The Secretary may grant a deferment to a borrower or, in the case of a loan for which an endorser is required, an endorser, without requiring a request and documentation from the borrower or the endorser under subsection (d) for—

(1) a period during which the borrower was delinquent at the time a deferment is granted, including a period for which scheduled payments of principal and interest were overdue at the time such deferment is granted;

(2) a period during which the borrower or the endorser was granted a deferment under this subsection but for which the Secretary determines the borrower or the endorser should not have qualified;

(3) a period necessary for the Secretary to determine the borrower's eligibility for the cancellation of the obligation of the borrower to repay the loan under section 437;

(4) a period during which the Secretary has authorized deferment due to a national military mobilization or other local or national emergency; or

(5) a period not to exceed 60 days, during which interest shall accrue but not be capitalized, if the Secretary reasonably determines that a suspension of collection activity is warranted to enable the Secretary to process supporting documentation relating to a borrower's request—

(A) for a deferment under this subsection;

(B) for a change in repayment plan under section 466(c);

or

(C) to consolidate loans under section 468.

(k) **DEFERMENTS FOR PARENT OR EXCEPTED CONSOLIDATION LOANS.**—

(1) **IN GENERAL.**—A qualified borrower shall be eligible for deferments under paragraphs (3) through (5).

(2) **QUALIFIED BORROWER DEFINED.**—In this subsection, the term "qualified borrower" means—

(A) a borrower of a Federal ONE Parent Loan or an Excepted Federal ONE Consolidation Loan; or

(B) in the case of such a loan for which an endorser is required, the endorser of such loan.

(3) **ECONOMIC HARDSHIP DEFERMENT.**—

(A) **IN GENERAL.**—A qualified borrower shall be eligible for a deferment during periods, not to exceed 3 years in total, during which the qualified borrower experiences an economic hardship described in subparagraph (B).

(B) **ECONOMIC HARDSHIP.**—An economic hardship described in this clause is a period during which the qualified borrower—

(i) is receiving payment under a means-tested benefit program;

(ii) is employed full-time and the monthly gross income of the qualified borrower does not exceed the greater of—

(I) the minimum wage rate described in section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206); or

(II) an amount equal to 150 percent of the poverty line; or

(iii) demonstrates that the sum of the qualified borrower's monthly payments on the qualified borrower's Federal ONE Parent Loan or Excepted Federal ONE Consolidation Loan is not less than 20 percent of the qualified borrower's monthly gross income.

(C) **ELIGIBILITY.**—To be eligible to receive a deferment under this subparagraph, a qualified borrower shall submit to the Secretary—

(i) for the first period of deferment under this subparagraph, evidence showing the monthly gross income of the qualified borrower; and

(ii) for a subsequent period of deferment that begins less than one year after the end of a period of deferment granted under this subparagraph—

(I) evidence showing the monthly gross income of the qualified borrower; or

(II) the qualified borrower's most recently filed Federal income tax return, if such a return was filed in either of the two tax years preceding the year in which the qualified borrower requests the subsequent period of deferment.

(4) **UNEMPLOYMENT DEFERMENT.**—

(A) **IN GENERAL.**—A qualified borrower shall be eligible for a deferment for periods during which the qualified borrower is seeking, and is unable to find, full-time employment.

(B) **ELIGIBILITY.**—

(i) **IN GENERAL.**—To be eligible to receive an deferment under this subparagraph, a qualified borrower shall submit to the Secretary—

(I) evidence of the qualified borrower's eligibility for unemployment benefits; or

(II) written confirmation, or an equivalent as approved by the Secretary, that—

(aa) the qualified borrower has registered with a public or private employment agency, if one is available to the borrower within 50 miles of the qualified borrower's address; and

(bb) for requests submitted after the initial request, the qualified borrower has made at least six diligent attempts during the preceding six-month period to secure full-time employment.

(ii) **ACCEPTANCE OF EMPLOYMENT.**—A qualified borrower shall not be eligible for a deferment under this subparagraph if the qualified borrower refuses to seek or accept employment in types of positions or at salary levels or responsibility levels for which the qualified borrower feels overqualified based on the qualified borrower's education or previous experience.

(C) *TERMS OF DEFERMENT.*—The following terms shall apply to a deferment under this subparagraph:

(i) *INITIAL PERIOD.*—The first deferment granted to a qualified borrower under this subparagraph may be for a period of unemployment beginning not more than 6 months before the date on which the Secretary receives the qualified borrower's request for deferment and may be granted for a period of up to 6 months after that date.

(ii) *RENEWALS.*—Deferments under this subparagraph shall be renewable at 6-month intervals beginning after the expiration of the first period of deferment under clause (i). To be eligible to renew a deferment under this subparagraph, a qualified borrower shall submit to the Secretary the information described in subparagraph (B)(i).

(iii) *AGGREGATE LIMIT.*—The period of all deferments granted to a borrower under this subparagraph may not exceed 3 years in aggregate.

(5) *HEALTH DEFERMENT.*—

(A) *IN GENERAL.*—A qualified borrower shall be eligible for a deferment during periods in which the qualified borrower is unable to make scheduled loan payments due to high medical expenses, as determined by the Secretary.

(B) *ELIGIBILITY.*—To be eligible to receive a deferment under this subparagraph, a qualified borrower shall—

(i) submit to the Secretary documentation demonstrating that making scheduled loan payments would be an extreme economic hardship to the borrower due to high medical expenses, as determined by the Secretary; and

(ii) resubmit such documentation to the Secretary not less frequently than once every 3 months.

(l) *PROHIBITIONS.*—

(1) *PROHIBITION ON FEES.*—No administrative fee or other fee may be charged to the borrower in connection with the granting of a deferment under this subsection.

(2) *PROHIBITION ON ADVERSE CREDIT REPORTING.*—No adverse information relating to a borrower may be reported to a consumer reporting agency solely because of the granting of a deferment under this subsection.

(3) *LIMITATION ON AUTHORITY.*—The Secretary shall not, through regulation or otherwise, authorize additional deferment options or periods of deferment other than the deferment options and periods of deferment authorized under this subsection.

(m) *TREATMENT OF ENDORSERS.*—With respect to any Federal ONE Parent Loan or Federal ONE Consolidation Loan for which an endorser is required—

(1) paragraphs (2) through (4) of subsection (b) shall be applied—

(A) by substituting “An endorser” for “A borrower”;

(B) by substituting “the endorser” for “the borrower”; and

(C) by substituting “an endorser” for “a borrower”; and

(2) in the case in which the borrower of such a loan is eligible for a deferment described in subparagraph (C), (D), (E), (F), or

(G) of subsection (b)(1), but is not making payments on the loan, the endorser of the loan may request a deferment under such subparagraph for the loan.

(n) **DEFINITIONS.**—In this section:

(1) **ELIGIBLE GRADUATE FELLOWSHIP PROGRAM.**—The term “eligible graduate fellowship program”, when used with respect to a course of study pursued by the borrower of a loan under this part, means a fellowship program that—

(A) provides sufficient financial support to graduate fellows to allow for full-time study for at least six months;

(B) requires a written statement from each applicant explaining the applicant’s objectives before the award of that financial support;

(C) requires a graduate fellow to submit periodic reports, projects, or evidence of the fellow’s progress; and

(D) in the case of a course of study at an institution of higher education outside the United States described in section 102, accepts the course of study for completion of the fellowship program.

(2) **ELIGIBLE REHABILITATION TRAINING PROGRAM FOR INDIVIDUALS WITH DISABILITIES.**—The term “eligible rehabilitation training program for individuals with disabilities”, when used with respect to a course of study pursued by the borrower of a loan under this part, means a program that—

(A) is necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining employment;

(B) is licensed, approved, certified, or otherwise recognized as providing rehabilitation training to disabled individuals by—

(i) a State agency with responsibility for vocational rehabilitation programs, drug abuse treatment programs, mental health services programs, or alcohol abuse treatment programs; or

(ii) the Secretary of the Department of Veterans Affairs; and

(C) provides or will provide the borrower with rehabilitation services under a written plan that—

(i) is individualized to meet the borrower’s needs;

(ii) specifies the date on which the services to the borrower are expected to end; and

(iii) requires a commitment of time and effort from the borrower that prevents the borrower from being employed at least 30 hours per week, either because of the number of hours that must be devoted to rehabilitation or because of the nature of the rehabilitation.

(3) **EXCEPTED FEDERAL ONE CONSOLIDATION LOAN.**—The “Excepted Federal ONE Consolidation Loan” have the meaning given the term in section 466(d)(5).

(4) **FAMILY SIZE.**—The term “family size” means the number that is determined by counting—

(A) the borrower;

(B) the borrower’s spouse;

(C) the borrower’s children, including unborn children who are expected to be born during the period covered by

the deferment, if the children receive more than half their support from the borrower; and

(D) another individual if, at the time the borrower requests a deferment under this section, the individual—

(i) lives with the borrower;

(ii) receives more than half of the individual's support (which may include money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs) from the borrower; and

(iii) is expected to receive such support from the borrower during the relevant period of deferment.

(5) **FULL-TIME.**—The term “full-time”, when used with respect to employment, means employment for not less than 30 hours per week that is expected to continue for not less than three months.

(6) **MEANS-TESTED BENEFIT PROGRAM.**—The term “means-tested benefit program” means—

(A) a State public assistance program under which eligibility for the program's benefits, or the amount of such benefits, are determined on the basis of income or resources of the individual or family seeking the benefit; or

(B) a mandatory spending program of the Federal Government, other than a program under this title, under which eligibility for the program's benefits, or the amount of such benefits, are determined on the basis of income or resources of the individual or family seeking the benefit, and may include such programs as

(i) the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

(ii) the supplemental nutrition assistance program under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(iii) the free and reduced price school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);

(iv) the program of block grants for States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(v) the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); and

(vi) other programs identified by the Secretary.

(7) **MONTHLY GROSS INCOME.**—The term “monthly gross income”, when used with respect to a borrower, means—

(A) the gross amount of income received by the borrower from employment and other sources for the most recent month; or

(B) one-twelfth of the borrower's adjusted gross income, as recorded on the borrower's most recently filed Federal income tax return.

SEC. 469B. ADDITIONAL TERMS.

(a) **APPLICABLE PART B PROVISIONS.**—

(1) *DISCLOSURES.*—*Except as otherwise provided in this part, section 455(p) shall apply with respect to loans under this part in the same manner that such section applies with respect to loans under part D.*

(2) *OTHER PROVISIONS.*—*Except as otherwise provided in this part, the following provisions shall apply with respect to loans made under this part in the same manner that such provisions apply with respect to loans made under part D:*

(A) *Section 427(a)(2).*

(B) *Section 428(d).*

(C) *Section 428F.*

(D) *Section 430A.*

(E) *Paragraphs (1), (2), (4), and (6) of section 432(a).*

(F) *Section 432(i).*

(G) *Section 432(l).*

(H) *Section 432(m), except that an institution of higher education shall have a separate master promissory note under paragraph (1)(D) of such section for loans made under this part.*

(I) *Subsections (a), (c), and (d) of section 437.*

(3) *APPLICATION OF PROVISIONS.*—*Any provision listed under paragraph (1) or (2) that applies to—*

(A) *Federal Direct PLUS Loans made on behalf of dependent students shall apply to Federal ONE Parent Loans;*

(B) *Federal Direct PLUS Loans made to students shall apply to Federal ONE Loans for graduate or professional students;*

(C) *Federal Direct Unsubsidized Stafford loans shall apply to Federal ONE Loans (other than Federal ONE Consolidation Loans) for any student borrower;*

(D) *Federal Direct Consolidation Loans shall apply to Federal ONE Consolidation Loans; and*

(E) *forbearance shall apply to deferment under section 469A.*

(b) *ELIGIBLE STUDENT.*—*A loan under this part may only be made to a student who—*

(1) *is an eligible student under section 484;*

(2) *has agreed to notify promptly the Secretary and the applicable contractors with which the Secretary has a contract under section 493E concerning—*

(A) *any change of permanent address, telephone number, or email address;*

(B) *when the student ceases to be enrolled on at least a half-time basis; and*

(C) *any other change in status, when such change in status affects the student's eligibility for the loan; and*

(3) *is carrying at least one-half the normal full-time academic workload for the course of study the student is pursuing (as determined by the institution).*

(c) *LOAN APPLICATION AND PROMISSORY NOTE.*—*The common financial reporting form required in section 483(a)(1) shall constitute the application for loans made under this part. The Secretary shall develop, print, and distribute to participating institutions a standard promissory note and loan disclosure form.*

(d) *BORROWER DEFENSES.*—A borrower of a loan under this part may assert a defense to repayment to such loan under the provisions of section 455(h) that apply to a borrower of a loan made under part D asserting, on or after the date of enactment of the PROSPER Act, a defense to repayment to such loan made under part D.

(e) *IDENTITY FRAUD PROTECTION.*—The Secretary shall ensure that monthly Federal ONE Loan statements and other publications of the Department do not contain more than four digits of the Social Security number of any individual.

(f) *AUTHORITY TO SELL LOANS.*—The Secretary, in consultation with the Secretary of the Treasury, is authorized to sell loans made under this part on such terms determined to be in the best interest of the United States, except that any such sale shall not result in any cost to the Federal Government.

PART F—NEED ANALYSIS

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SEC. 472. COST OF ATTENDANCE.

For the purpose of this title, the term “cost of attendance” means—

(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study;

(2) an allowance for books, supplies, transportation, and miscellaneous personal expenses, including a reasonable allowance for the documented rental or purchase of a personal computer, for a student attending the institution on at least a half-time basis, as determined by the institution;

(3) an allowance (as determined by the institution) for room and board costs incurred by the student which—

(A) shall be an allowance determined by the institution for a student without dependents residing at home with parents;

(B) for students without dependents residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on the amount normally assessed most of its residents for room and board;

(C) for students who live in housing located on a military base or for which a basic allowance is provided under section 403(b) of title 37, United States Code, shall be an allowance based on the expenses reasonably incurred by such students for board but not for room; and

(D) for all other students shall be an allowance based on the expenses reasonably incurred by such students for room and board;

(4) for less than half-time students (as determined by the institution), tuition and fees and an allowance for only—

(A) books, supplies, and transportation (as determined by the institution);

(B) dependent care expenses (determined in accordance with paragraph (8)); and

(C) room and board costs (determined in accordance with paragraph (3)), except that a student may receive an allowance for such costs under this subparagraph for not more than 3 semesters or the equivalent, of which not more than 2 semesters or the equivalent may be consecutive;

(5) for a student engaged in a program of study by correspondence, only tuition and fees and, if required, books and supplies, travel, and room and board costs incurred specifically in fulfilling a required period of residential training;

(6) for incarcerated students only tuition and fees and, if required, books and supplies;

(7) for a student enrolled in an academic program in a program of study abroad approved for credit by the student's home institution, reasonable costs associated with such study (as determined by the institution at which such student is enrolled);

(8) for a student with one or more dependents, an allowance based on the estimated actual expenses incurred for such dependent care, based on the number and age of such dependents, except that—

(A) such allowance shall not exceed the reasonable cost in the community in which such student resides for the kind of care provided; and

(B) the period for which dependent care is required includes, but is not limited to, class-time, study-time, field work, internships, and commuting time;

(9) for a student with a disability, an allowance (as determined by the institution) for those expenses related to the student's disability, including special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided for by other assisting agencies;

[(10)] (10) for a student receiving all or part of the student's instruction by means of telecommunications technology, no distinction shall be made with respect to the mode of instruction in determining costs;]

[(11)] (11) for a student engaged in a work experience under a cooperative education program, an allowance for reasonable costs associated with such employment (as determined by the institution);

[(12)] (12) for a student who receives a loan under this or any other Federal law, or, at the option of the institution, a conventional student loan incurred by the student to cover a student's cost of attendance at the institution, an allowance for the actual cost of any loan fee, origination fee, or insurance premium charged to such student or such parent on such loan, or the average cost of any such fee or premium charged by the Secretary, lender, or guaranty agency making or insuring such loan, as the case may be; and

[(13)] (13) at the option of the institution, for a student in a program requiring professional licensure or certification, the

one-time cost of obtaining the first professional credentials (as determined by the institution).

* * * * *

SEC. 479. SIMPLIFIED NEEDS TESTS.

(a) SIMPLIFIED APPLICATION SECTION.—

(1) IN GENERAL.—The Secretary shall develop and use an easily identifiable simplified application section as part of the common financial reporting form prescribed under section 483(a) for families described in subsections (b) and (c) of this section.

(2) REDUCED DATA REQUIREMENTS.—The simplified application form shall—

(A) in the case of a family meeting the requirements of subsection (b)(1), permit such family to submit only the data elements required under subsection (b)(2) for the purposes of establishing eligibility for student financial aid under this part; and

(B) in the case of a family meeting the requirements of subsection (c), permit such family to be treated as having an expected family contribution equal to zero for purposes of establishing such eligibility and to submit only the data elements required to make a determination under subsection (c).

(b) SIMPLIFIED NEEDS TEST.—

(1) ELIGIBILITY.—An applicant is eligible to file a simplified form containing the elements required by paragraph (2) if—

(A) in the case of an applicant who is a dependent student—

(i) the student's parents—

(I) file, or are eligible to file, a form described in paragraph (3);

(II) certify that the parents are not required to file a Federal income tax return;

(III) include at least one parent who is a dislocated worker; or

(IV) received, or the student received, benefits at some time during the previous 24-month period under a means-tested Federal benefit program as defined under subsection (d); and

(ii) the total adjusted gross income of the parents (excluding any income of the dependent student) is less than **[\$50,000]** *\$100,000*; or

(B) in the case of an applicant who is an independent student—

(i) the student (and the student's spouse, if any)—

(I) files, or is eligible to file, a form described in paragraph (3);

(II) certifies that the student (and the student's spouse, if any) is not required to file a Federal income tax return;

(III) is a dislocated worker or has a spouse who is a dislocated worker; or

(IV) received benefits at some time during the previous 24-month period under a means-tested

Federal benefit program as defined under subsection (d); and

(ii) the adjusted gross income of the student (and the student's spouse, if any) is less than **【\$50,000】** **\$100,000**.

(2) **SIMPLIFIED TEST ELEMENTS.**—The six elements to be used for the simplified needs analysis are—

(A) adjusted gross income,

(B) Federal taxes paid,

(C) untaxed income and benefits,

(D) the number of family members,

(E) the number of family members in postsecondary education, and

(F) an allowance (A) for State and other taxes, as defined in section 475(c)(2) for dependent students and in section 477(b)(2) for independent students with dependents other than a spouse, or (B) for State and other income taxes, as defined in section 476(b)(2) for independent students without dependents other than a spouse.

(3) **QUALIFYING FORMS.**—In the case of an independent student, the student, or in the case of a dependent student, the family, files a form described in this subsection, or subsection (c), as the case may be, if the student or family, as appropriate, files—

(A) a form 1040A or 1040EZ (including any prepared or electronic version of such form) required pursuant to the Internal Revenue Code of 1986;

(B) a form 1040 (including any prepared or electronic version of such form) required pursuant to the Internal Revenue Code of 1986, except that such form shall be considered a qualifying form only if the student or family files such form in order to take a tax credit under section 25A of the Internal Revenue Code of 1986, and would otherwise be eligible to file a form described in subparagraph (A); or

(C) an income tax return (including any prepared or electronic version of such return) required pursuant to the tax code of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau.

(c) **ZERO EXPECTED FAMILY CONTRIBUTION.**—The Secretary shall consider an applicant to have an expected family contribution equal to zero if—

(1) in the case of a dependent student—

(A) the student's parents—

(i) file, or are eligible to file, a form described in subsection (b)(3);

(ii) certify that the parents are not required to file a Federal income tax return;

(iii) include at least one parent who is a dislocated worker; or

(iv) received, or the student received, benefits at some time during the previous 24-month period under a means-tested Federal benefit program as defined under subsection (d); and

- (B) the sum of the adjusted gross income of the parents is less than or equal to \$23,000; or
- (2) in the case of an independent student with dependents other than a spouse—
 - (A) the student (and the student's spouse, if any)—
 - (i) files, or is eligible to file, a form described in subsection (b)(3);
 - (ii) certifies that the student (and the student's spouse, if any) is not required to file a Federal income tax return;
 - (iii) is a dislocated worker or has a spouse who is a dislocated worker; or
 - (iv) received benefits at some time during the previous 24-month period under a means-tested Federal benefit program as defined under subsection (d); and
 - (B) the sum of the adjusted gross income of the student and spouse (if appropriate) is less than or equal to \$23,000.

An individual is not required to qualify or file for the earned income credit in order to be eligible under this subsection. The Secretary shall annually adjust the income level necessary to qualify an applicant for the zero expected family contribution. The income level shall be adjusted according to increases in the Consumer Price Index, as defined in section 478(f).

(d) DEFINITIONS.—In this section:

(1) DISLOCATED WORKER.—The term “dislocated worker” has the meaning given the term in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801).

(2) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—The term “means-tested Federal benefit program” means a mandatory spending program of the Federal Government, other than a program under this title, in which eligibility for the program's benefits, or the amount of such benefits, are determined on the basis of income or resources of the individual or family seeking the benefit, and may include such programs as—

(A) the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

(B) the supplemental nutrition assistance program under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(C) the free and reduced price school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);

(D) the program of block grants for States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(E) the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); and

(F) other programs identified by the Secretary.

SEC. 479A. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

(a) IN GENERAL.—Nothing in this part shall be interpreted as limiting the authority of the financial aid administrator, on the basis of adequate documentation, to make adjustments on a case-

by-case basis to the cost of attendance or the values of the data items required to calculate the expected student or parent contribution (or both) to allow for treatment of an individual eligible applicant with special circumstances. However, this authority shall not be construed to permit aid administrators to deviate from the contributions expected in the absence of special circumstances. Special circumstances may include tuition expenses at an elementary or secondary school, medical, dental, or nursing home expenses not covered by insurance, unusually high child care or dependent care costs, recent unemployment of a family member or an independent student, a student or family member who is a dislocated worker (as defined in section 101 of the Workforce Investment Act of 1998), the number of parents enrolled at least half-time in a degree, certificate, or other program leading to a recognized educational credential at an institution with a program participation agreement under section 487, a change in housing status that results in an individual being homeless (as defined in section 103 of the McKinney-Vento Homeless Assistance Act), or other changes in a family's income, a family's assets, or a student's status. Special circumstances shall be conditions that differentiate an individual student from a class of students rather than conditions that exist across a class of students. Adequate documentation for such adjustments shall substantiate such special circumstances of individual students. In addition, nothing in this title shall be interpreted as limiting the authority of the student financial aid administrator in such cases (1) to request and use supplementary information about the financial status or personal circumstances of eligible applicants in selecting recipients and determining the amount of awards under this title, or (2) to offer a dependent student [financial assistance under section 428H or a Federal Direct Unsubsidized Stafford Loan] *a Federal Direct Unsubsidized Stafford Loan or a Federal ONE Loan* without requiring the parents of such student to file the financial aid form prescribed under section 483 if the student financial aid administrator verifies that the parent or parents of such student have ended financial support of such student and refuse to file such form. No student or parent shall be charged a fee for collecting, processing, or delivering such supplementary information.

(b) ADJUSTMENTS TO ASSETS TAKEN INTO ACCOUNT.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if—

(1) the administrator makes adjustments excluding from family income any proceeds of a sale of farm or business assets of a family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy or an involuntary liquidation; or

(2) the administrator makes adjustments in the award level of a student with a disability so as to take into consideration the additional costs such student incurs as a result of such student's disability.

(c) REFUSAL OR ADJUSTMENT OF LOAN CERTIFICATIONS.—On a case-by-case basis, an eligible institution may refuse to certify a statement that permits a student to receive a loan under [part B or D] *part D or E*, or may certify a loan amount or make a loan that is less than the student's determination of need (as deter-

mined under this part), if the reason for the action is documented and provided in written form to the student. No eligible institution shall discriminate against any borrower or applicant in obtaining a loan on the basis of race, national origin, religion, sex, marital status, age, or disability status.

(d) ADJUSTMENT BASED ON DELIVERY OF INSTRUCTION.—A student's eligibility to receive grants, loans, or work assistance under this title shall be reduced if a financial aid officer determines, in accordance with the discretionary authority provided under this section, that the model or method used to deliver instruction to the student results in a substantially reduced cost of attendance to the student.

* * * * *

SEC. 480. DEFINITIONS.

As used in this part:

(a) TOTAL INCOME.—(1)(A) Except as provided in subparagraph (B) and paragraph (2), the term “total income” is equal to adjusted gross income plus untaxed income and benefits for the preceding tax year minus excludable income (as defined in subsection (e)).

[(B) Notwithstanding section 478(a), the Secretary may provide for the use of data from the second preceding tax year when and to the extent necessary to carry out the simplification of applications (including simplification for a subset of applications) used for the estimation and determination of financial aid eligibility. Such simplification may include the sharing of data between the Internal Revenue Service and the Department, pursuant to the consent of the taxpayer.]

(B) Notwithstanding section 478(a), the Secretary shall provide for the use of data from the second preceding tax year to carry out the simplification of applications (including simplification for a subset of applications) used for the estimation and determination of financial aid eligibility. Such simplification shall include the sharing of data between the Internal Revenue Service and the Department, pursuant to the consent of the taxpayer.

(2) No portion of any student financial assistance received from any program by an individual, no portion of veterans' education benefits received by an individual, no portion of a national service educational award or post-service benefit received by an individual under title I of the National and Community Service Act of 1990 (42 U.S.C. 12511 et seq.), no portion of any tax credit taken under section 25A of the Internal Revenue Code of 1986, and no distribution from any qualified education benefit described in subsection (f)(3) that is not subject to Federal income tax, shall be included as income or assets in the computation of expected family contribution for any program funded in whole or in part under this Act.

(b) UNTAXED INCOME AND BENEFITS.—

(1) The term “untaxed income and benefits” means—

- (A) child support received;
- (B) workman's compensation;
- (C) veteran's benefits such as death pension, dependency, and indemnity compensation, but excluding veterans' education benefits as defined in subsection (c);
- (D) interest on tax-free bonds;

(E) housing, food, and other allowances (excluding rent subsidies for low-income housing) for military, clergy, and others (including cash payments and cash value of benefits), except that the value of on-base military housing or the value of basic allowance for housing determined under section 403(b) of title 37, United States Code, received by the parents, in the case of a dependent student, or the student or student's spouse, in the case of an independent student, shall be excluded;

(F) cash support or any money paid on the student's behalf, except, for dependent students, funds provided by the student's parents;

(G) untaxed portion of pensions;

(H) payments to individual retirement accounts and Keogh accounts excluded from income for Federal income tax purposes; and

(I) any other untaxed income and benefits, such as Black Lung Benefits, Refugee Assistance, or railroad retirement benefits, or benefits received through participation in employment and training activities under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

(2) The term "untaxed income and benefits" shall not include—

(A) the amount of additional child tax credit claimed for Federal income tax purposes;

(B) welfare benefits, including assistance under a State program funded under part A of title IV of the Social Security Act and aid to dependent children;

(C) the amount of earned income credit claimed for Federal income tax purposes;

(D) the amount of credit for Federal tax on special fuels claimed for Federal income tax purposes;

(E) the amount of foreign income excluded for purposes of Federal income taxes; or

(F) untaxed social security benefits.

(c) VETERAN AND VETERANS' EDUCATION BENEFITS.—(1) The term "veteran" means any individual who—

(A) has engaged in the active duty in the United States Army, Navy, Air Force, Marines, or Coast Guard; and

(B) was released under a condition other than dishonorable.

(2) The term "veterans' education benefits" means veterans' benefits the student will receive during the award year, including but not limited to benefits under the following provisions of law:

(A) Chapter 103 of title 10, United States Code (Senior Reserve Officers' Training Corps).

(B) Chapter 106A of title 10, United States Code (Educational Assistance for Persons Enlisting for Active Duty).

(C) Chapter 1606 of title 10, United States Code (Selected Reserve Educational Assistance Program).

(D) Chapter 1607 of title 10, United States Code (Educational Assistance Program for Reserve Component Members Supporting Contingency Operations and Certain Other Operations).

(E) Chapter 30 of title 38, United States Code (All-Volunteer Force Educational Assistance Program, also known as the “Montgomery GI Bill—active duty”).

(F) Chapter 31 of title 38, United States Code (Training and Rehabilitation for Veterans with Service-Connected Disabilities).

(G) Chapter 32 of title 38, United States Code (Post-Vietnam Era Veterans’ Educational Assistance Program).

(H) Chapter 33 of title 38, United States Code (Post-9/11 Educational Assistance).

(I) Chapter 35 of title 38, United States Code (Survivors’ and Dependents’ Educational Assistance Program).

(J) Section 903 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note) (Educational Assistance Pilot Program).

(K) Section 156(b) of the “Joint Resolution making further continuing appropriations and providing for productive employment for the fiscal year 1983, and for other purposes” (42 U.S.C. 402 note) (Restored Entitlement Program for Survivors, also known as “Quayle benefits”).

(L) The provisions of chapter 3 of title 37, United States Code, related to subsistence allowances for members of the Reserve Officers Training Corps.

(d) INDEPENDENT STUDENT.—

(1) DEFINITION.—The term “independent”, when used with respect to a student, means any individual who—

(A) is 24 years of age or older by December 31 of the award year;

(B) is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;

(C) is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual’s State of legal residence;

(D) is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1)) or is currently serving on active duty in the Armed Forces for other than training purposes;

(E) is a graduate or professional student;

(F) is a married individual;

(G) has legal dependents other than a spouse;

(H) has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act), or as unaccompanied, at risk of homelessness, and self-supporting, by—

(i) a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;

(ii) the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;

(iii) the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or

(iv) a financial aid administrator; or

(I) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

(2) SIMPLIFYING THE DEPENDENCY OVERRIDE PROCESS.—A financial aid administrator may make a determination of independence under paragraph (1)(I) based upon a documented determination of independence that was previously made by another financial aid administrator under such paragraph in the same award year.

(e) EXCLUDABLE INCOME.—The term “excludable income” means—

(1) any student financial assistance awarded based on need as determined in accordance with the provisions of this part, including any income earned from work under part C of this title;

(2) any income earned from work under a cooperative education program offered by an institution of higher education;

(3) any living allowance received by a participant in a program established under the National and Community Service Act of 1990;

(4) child support payments made by the student or parent;

(5) payments made and services provided under part E of title IV of the Social Security Act; and

(6) special combat pay.

(f) ASSETS.—(1) The term “assets” means cash on hand, including the amount in checking and savings accounts, time deposits, money market funds, trusts, stocks, bonds, other securities, mutual funds, tax shelters, qualified education benefits (except as provided in paragraph (3)), and the net value of real estate, income producing property, and business and farm assets.

(2) With respect to determinations of need under this title, other than for subpart 4 of part A, the term “assets” shall not include the net value of—

(A) the family’s principal place of residence;

(B) a family farm on which the family resides; **[or]**

(C) a small business with not more than 100 full-time or full-time equivalent employees (or any part of such a small business) that is owned and controlled by the family **[.]; or**

(D) a qualified tuition program (as defined in section 529(b)(1)(A) of the Internal Revenue Code of 1986).

(3) A qualified education benefit shall be considered an asset of—

(A) the student if the student is an independent student;

or

(B) the parent if the student is a dependent student, regardless of whether the owner of the account is the student or the parent.

(4) In determining the value of assets in a determination of need under this title (other than for subpart 4 of part A), the value of a qualified education benefit shall be—

(A) the refund value of any tuition credits or certificates purchased under a qualified education benefit; and

(B) in the case of a program in which contributions are made to an account that is established for the purpose of meeting the qualified higher education expenses of the designated beneficiary of the account, the current balance of such account.

(5) In this subsection:

(A) The term “qualified education benefit” means—

(i) a [qualified tuition program (as defined in section 529(b)(1)(A) of the Internal Revenue Code of 1986) or other] prepaid tuition plan offered by a State; and

(ii) a Coverdell education savings account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986).

(B) The term “qualified higher education expenses” has the meaning given the term in section 529(e) of the Internal Revenue Code of 1986.

(g) NET ASSETS.—The term “net assets” means the current market value at the time of application of the assets (as defined in subsection (f)), minus the outstanding liabilities or indebtedness against the assets.

(h) TREATMENT OF INCOME TAXES PAID TO OTHER JURISDICTIONS.—(1) The tax on income paid to the Governments of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau under the laws applicable to those jurisdictions, or the comparable tax paid to the central government of a foreign country, shall be treated as Federal income taxes.

(2) References in this part to the Internal Revenue Code of 1986, Federal income tax forms, and the Internal Revenue Service shall, for purposes of the tax described in paragraph (1), be treated as references to the corresponding laws, tax forms, and tax collection agencies of those jurisdictions, respectively, subject to such adjustments as the Secretary may provide by regulation.

(i) CURRENT BALANCE.—The term “current balance of checking and savings accounts” does not include any funds over which an individual is barred from exercising discretion and control because of the actions of any State in declaring a bank emergency due to the insolvency of a private deposit insurance fund.

(j) OTHER FINANCIAL ASSISTANCE.—(1) For purposes of determining a student’s eligibility for funds under this title, estimated financial assistance not received under this title shall include all scholarships, grants, loans, or other assistance known to the institution at the time the determination of the student’s need is made, including national service educational awards or post-service benefits under title I of the National and Community Service Act of 1990 (42 U.S.C. 12511 et seq.), but excluding veterans’ education benefits as defined in subsection (c).

(2) Notwithstanding paragraph (1), a tax credit taken under section 25A of the Internal Revenue Code of 1986, or a distribution that is not includable in gross income under section 529 of such Code, under another prepaid tuition plan offered by a State, or under a Coverdell education savings account under section 530 of such Code, shall not be treated as estimated financial assistance for purposes of section 471(3).

(3) Notwithstanding paragraph (1) and section 472, assistance not received under this title may be excluded from both estimated financial assistance and cost of attendance, if that assistance is provided by a State and is designated by such State to offset a specific component of the cost of attendance. If that assistance is excluded from either estimated financial assistance or cost of attendance, it shall be excluded from both.

(4) Notwithstanding paragraph (1), special combat pay shall not be treated as estimated financial assistance for purposes of section 471(3).

(k) DEPENDENTS.—(1) Except as otherwise provided, the term “dependent of the parent” means the student, dependent children of the student’s parents, including those children who are deemed to be dependent students when applying for aid under this title, and other persons who live with and receive more than one-half of their support from the parent and will continue to receive more than half of their support from the parent during the award year.

(2) Except as otherwise provided, the term “dependent of the student” means the student’s dependent children and other persons (except the student’s spouse) who live with and receive more than one-half of their support from the student and will continue to receive more than half of their support from the student during the award year.

(1) FAMILY SIZE.—(1) In determining family size in the case of a dependent student—

(A) if the parents are not divorced or separated, family members include the student’s parents, and the dependents of the student’s parents including the student;

(B) if the parents are divorced or separated, family members include the parent whose income is included in computing available income and that parent’s dependents, including the student; and

(C) if the parents are divorced and the parent whose income is so included is remarried, or if the parent was a widow or widower who has remarried, family members also include, in addition to those individuals referred to in subparagraph (B), the new spouse and any dependents of the new spouse if that spouse’s income is included in determining the parents’ adjusted available income.

(2) In determining family size in the case of an independent student—

(A) family members include the student, the student’s spouse, and the dependents of the student; and

(B) if the student is divorced or separated, family members do not include the spouse (or ex-spouse), but do include the student and the student’s dependents.

(m) BUSINESS ASSETS.—The term “business assets” means property that is used in the operation of a trade or business, including real estate, inventories, buildings, machinery, and other equipment, patents, franchise rights, and copyrights.

(n) SPECIAL COMBAT PAY.—The term “special combat pay” means pay received by a member of the Armed Forces because of exposure to a hazardous situation.

PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE PROGRAMS

SEC. 481. DEFINITIONS.

(a) ACADEMIC AND AWARD YEAR.—(1) For the purpose of any program under this title, the term “award year” shall be defined as the period beginning July 1 and ending June 30 of the following year.

(2)(A) ~~For the~~ *Except as provided in paragraph (3), for the purpose of any program under this title, the term “academic year” shall—*

(i) ~~require a minimum of 30 weeks~~ *require—*

~~(I) a minimum of 30 weeks~~ *(I) a minimum of 30 weeks* of instructional time for a course of study that measures its program length in credit hours; or

~~(ii) (II) require~~ *(ii) (II) require* a minimum of 26 weeks of instructional time for a course of study that measures its program length in clock hours; and

~~(iii) (i) require~~ *(iii) (i) require* an undergraduate course of study to contain an amount of instructional time whereby a full-time student is expected to complete at least—

~~(I) 24 semester or trimester hours or 36 quarter credit hours in a course of study that measures its program length in credit hours; or~~

~~(II) 900 clock hours in a course of study that measures its program length in clock hours.~~

(B) The Secretary may reduce such minimum of 30 weeks to not less than 26 weeks for good cause, as determined by the Secretary on a case-by-case basis, in the case of an institution of higher education that provides a 2-year or 4-year program of instruction for which the institution awards an associate or baccalaureate degree and that measures program length in credit hours or clock hours.

(3)(A) *For the purpose of a competency-based education program the term “academic year” shall be the published measured period established by the institution of higher education that is necessary for a student with a normal full-time workload for the course of study the student is pursuing (as measured using the value of competencies or sets of competencies required by such institution and approved by such institution’s accrediting agency or association) to earn—*

(i) one-quarter of a bachelor’s degree;

(ii) one-half of an associate’s degree; or

(iii) with respect to a non-degree or graduate program, the equivalent of a period described in clause (i) or (ii).

(B)(i) *A competency-based education program that is not a term-based program may be treated as a term-based program for purposes of establishing payment periods for disbursement of loans and grants under this title if—*

(I) the institution of higher education that offers such program charges a flat subscription fee for access to instruction during a period determined by the institution; and

(II) the institution is able to determine the competencies a student is expected to demonstrate for such subscription period.

(ii) Clause (i) shall apply even in a case in which instruction or other work with respect to a competency that is expected to

be attributable to a subscription period begins prior to such subscription period.

(iii) In a case in which a competency-based education program offered by an institution of higher education is treated as a term-based program under clause (i), the institution shall review the academic progress of each student enrolled in such program in accordance with section 484(c), except that such review shall occur at the end of each payment period.

[(b) ELIGIBLE PROGRAM.—(1) For purposes of this title, the term “eligible program” means a program of at least—

[(A) 600 clock hours of instruction, 16 semester hours, or 24 quarter hours, offered during a minimum of 15 weeks, in the case of a program that—

[(i) provides a program of training to prepare students for gainful employment in a recognized profession; and

[(ii) admits students who have not completed the equivalent of an associate degree; or

[(B) 300 clock hours of instruction, 8 semester hours, or 12 hours, offered during a minimum of 10 weeks, in the case of—

[(i) an undergraduate program that requires the equivalent of an associate degree for admissions; or

[(ii) a graduate or professional program.

[(2)(A) A program is an eligible program for purposes of part B of this title if it is a program of at least 300 clock hours of instruction, but less than 600 clock hours of instruction, offered during a minimum of 10 weeks, that—

[(i) has a verified completion rate of at least 70 percent, as determined in accordance with the regulations of the Secretary;

[(ii) has a verified placement rate of at least 70 percent, as determined in accordance with the regulations of the Secretary; and

[(iii) satisfies such further criteria as the Secretary may prescribe by regulation.

[(B) In the case of a program being determined eligible for the first time under this paragraph, such determination shall be made by the Secretary before such program is considered to have satisfied the requirements of this paragraph.

[(3) An otherwise eligible program that is offered in whole or in part through telecommunications is eligible for the purposes of this title if the program is offered by an institution, other than a foreign institution, that has been evaluated and determined (before or after the date of enactment of the Higher Education Reconciliation Act of 2005) to have the capability to effectively deliver distance education programs by an accrediting agency or association that—

[(A) is recognized by the Secretary under subpart 2 of part H; and

[(B) has evaluation of distance education programs within the scope of its recognition, as described in section 496(n)(3).

[(4) For purposes of this title, the term “eligible program” includes an instructional program that, in lieu of credit hours or clock hours as the measure of student learning, utilizes direct assessment of student learning, or recognizes the direct assessment of student learning by others, if such assessment is consistent with the accreditation of the institution or program utilizing the results

of the assessment. In the case of a program being determined eligible for the first time under this paragraph, such determination shall be made by the Secretary before such program is considered to be an eligible program.】

(b) *ELIGIBLE PROGRAM.*—(1) *For purposes of this title, the term “eligible program” means—*

(A) *a program of at least 300 clock hours of instruction, 8 semester hours, or 12 quarter hours, offered during a minimum of 10 weeks; or*

(B) *a competency-based program that—*

(i) *has been evaluated and approved by an accrediting agency or association that—*

(I) *is recognized by the Secretary under subpart 2 of part H; and*

(II) *has evaluation of competency-based education programs within the scope of its recognition in accordance with section 496(a)(4)(C); or*

(ii) *as of the day before the date of enactment of the PROSPER Act, met the requirements of a direct assessment program under section 481(b)(4) (as such section was in effect on the day before such date of enactment).*

(2) *An eligible program described in paragraph (1) may be offered in whole or in part through telecommunications.*

(3) *For purposes of this title, the term “eligible program” does not include a program that loses its eligibility under section 481B(a).*

(4)(A) *If an eligible institution enters into a written arrangement with an institution or organization that is not an eligible institution under which such ineligible institution or organization provides the educational program (in whole or in part) of students enrolled in the eligible institution, the educational program provided by such ineligible institution shall be considered to be an eligible program if—*

(i) *the ineligible institution or organization has not—*

(I) *had its eligibility to participate in the programs under this title terminated by the Secretary;*

(II) *voluntarily withdrawn from participation in the programs under this title under a proceeding initiated by the Secretary, accrediting agency or association, guarantor, or the licensing agency for the State in which the institution is located, including a termination, show-cause, or suspension;*

(III) *had its certification under subpart 3 of part H to participate in the programs under this title revoked by the Secretary;*

(IV) *had its application for recertification under subpart 3 of part H to participate in the programs under this title denied by the Secretary; or*

(V) *had its application for certification under subpart 3 of part H to participate in the programs under this title denied by the Secretary;*

(ii) *the educational program offered by the institution that grants the degree or certificate otherwise satisfies the requirements of paragraph (1); and*

(iii)(I) *the ineligible institution or organization provides 25 percent or less of the educational program; or*

(II)(aa) the ineligible institution or organization provides more than 25 percent of the educational program; and

(bb) the eligible institution's accrediting agency or association has determined that the eligible institution's arrangement meets the agency's standards for the contracting out of educational services in accordance with section 496(c)(5)(B)(iv).

(B) For purposes of subparagraph (A), the term "eligible institution" means an institution described in section 487(a).

(c) THIRD PARTY SERVICER.—For purposes of this title, the term "third party servicer" means any individual, any State, or any private, for-profit or nonprofit organization, which enters into a contract with—

(1) any eligible institution of higher education to administer, through either manual or automated processing, any aspect of such institution's student assistance programs under this title; or

(2) any guaranty agency, or any eligible lender, to administer, through either manual or automated processing, any aspect of such guaranty agency's or lender's student loan programs under [part B of] this title, including originating, guaranteeing, monitoring, processing, servicing, or collecting loans.

(d) DEFINITIONS FOR MILITARY DEFERMENTS.—For purposes of parts B, D, and E of this title:

(1) ACTIVE DUTY.—The term "active duty" has the meaning given such term in section 101(d)(1) of title 10, United States Code, except that such term does not include active duty for training or attendance at a service school.

(2) MILITARY OPERATION.—The term "military operation" means a contingency operation as such term is defined in section 101(a)(13) of title 10, United States Code.

(3) NATIONAL EMERGENCY.—The term "national emergency" means the national emergency by reason of certain terrorist attacks declared by the President on September 14, 2001, or subsequent national emergencies declared by the President by reason of terrorist attacks.

(4) SERVING ON ACTIVE DUTY.—The term "serving on active duty during a war or other military operation or national emergency" means service by an individual who is—

(A) a Reserve of an Armed Force ordered to active duty under section 12301(a), 12301(g), 12302, 12304, or 12306 of title 10, United States Code, or any retired member of an Armed Force ordered to active duty under section 688 of such title, for service in connection with a war or other military operation or national emergency, regardless of the location at which such active duty service is performed; and

(B) any other member of an Armed Force on active duty in connection with such emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which such member is normally assigned.

(5) QUALIFYING NATIONAL GUARD DUTY.—The term "qualifying National Guard duty during a war or other military operation or national emergency" means service as a member of the

National Guard on full-time National Guard duty (as defined in section 101(d)(5) of title 10, United States Code) under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32, United States Code, in connection with a war, other military operation, or a national emergency declared by the President and supported by Federal funds.

(e) CONSUMER REPORTING AGENCY.—For purposes of this title, the term “consumer reporting agency” has the meaning given the term “consumer reporting agency that compiles and maintains files on consumers on a nationwide basis” in Section 603(p) of the Fair Credit Reporting Act (15 U.S.C. 1681a(p)).

(f) DEFINITION OF EDUCATIONAL SERVICE AGENCY.—For purposes of parts B, D, and E, the term “educational service agency” has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

* * * * *

SEC. 481B. PROGRAMMATIC LOAN REPAYMENT RATES.

(a) **INELIGIBILITY OF AN EDUCATIONAL PROGRAM BASED ON LOW REPAYMENT RATES.**—

(1) **IN GENERAL.**—*With respect to fiscal year 2016 and each succeeding fiscal year, an educational program at an institution of higher education whose loan repayment rate is less than 45 percent for each of the 3 most recent fiscal years for which data are available shall not be considered an eligible program for the fiscal year in which the determination is made and for the 2 succeeding fiscal years, unless, not later than 30 days after receiving notification from the Secretary of the loss of eligibility under this paragraph, the institution appeals the loss of such program’s eligibility to the Secretary.*

(2) **APPEAL.**—*The Secretary shall issue a decision on any such appeal within 45 days after its submission. Such decision may permit a program to be considered an eligible program, if—*

(A) *the institution demonstrates to the satisfaction of the Secretary that—*

(i) *the Secretary’s calculation of such program’s loan repayment rate is not accurate; and*

(ii) *recalculation would increase such program’s loan repayment rate for any of the 3 fiscal years equal to or greater than 45 percent; or*

(B) *the program is not subject to paragraph (1) by reason of paragraph (3).*

(3) **PARTICIPATION RATE INDEX.**—

(A) **IN GENERAL.**—*An institution that demonstrates to the Secretary that a program’s participation rate index is equal to or less than 0.11 for any of the 3 most recent fiscal years for which data is available shall not be subject to paragraph (1).*

(B) **INDEX CALCULATION.**—*The participation rate index for a program shall be determined by multiplying—*

(i) *the amount of the difference between—*

(I) *1.0; and*

(II) *the quotient that results by dividing—*

(aa) the program's loan repayment rate for a fiscal year, or the weighted average loan repayment rate for a fiscal year, by

(bb) 100; and

(ii) the quotient that results by dividing—

(I) the percentage of the program's regular students, enrolled on at least a half-time basis, who received a covered loan for a 12-month period ending during the 6 months immediately preceding the fiscal year for which the program's loan repayment rate or the weighted average loan repayment rate is determined, by

(II) 100.

(C) DATA.—An institution shall provide the Secretary with sufficient data to determine the program's participation rate index not later than 30 days after receiving an initial notification of the program's draft loan repayment rate under subsection (d)(4)(C).

(D) NOTIFICATION.—Prior to publication of a final loan repayment rate under subsection (d)(4)(A) for a program at an institution that provides the data described in subparagraph (C), the Secretary shall notify the institution of the institution's compliance or noncompliance with subparagraph (A).

(b) REPAYMENT IMPROVEMENT AND ASSESSMENT OF ELIGIBILITY BASED ON LOW LOAN REPAYMENT RATES.—

(1) FIRST YEAR.—

(A) IN GENERAL.—An institution with a program whose loan repayment rate is less than 45 percent for any fiscal year shall establish a repayment improvement task force to prepare a plan to—

(i) identify the factors causing such program's loan repayment rate to fall below such percent;

(ii) establish measurable objectives and the steps to be taken to improve the program's loan repayment rate; and

(iii) specify actions that the institution can take to improve student loan repayment, including appropriate counseling regarding loan repayment options.

(B) TECHNICAL ASSISTANCE.—Each institution subject to this paragraph shall submit the plan under subparagraph (A) to the Secretary, who shall review the plan and offer technical assistance to the institution to promote improved student loan repayment.

(2) SECOND CONSECUTIVE YEAR.—

(A) IN GENERAL.—An institution with a program whose loan repayment rate is less than 45 percent for two consecutive fiscal years, shall—

(i) require the institution's repayment improvement task force established under paragraph (1) to review and revise the plan required under such paragraph; and

(ii) submit such revised plan to the Secretary.

(B) REVIEW BY THE SECRETARY.—The Secretary—

(i) shall review each revised plan submitted in accordance with this paragraph; and

(ii) may direct that such plan be amended to include actions, with measurable objectives, that the Secretary determines, based on available data and analyses of student loan repayment and non-repayment, will promote student loan repayment.

(c) PROGRAMMATIC LOAN REPAYMENT RATE DEFINED.—

(1) IN GENERAL Except as provided in subsection (d), for purposes of this section, the term “loan repayment rate” means, when used with respect to an educational program at an institution—

(A) with respect to any fiscal year in which 30 or more current and former students in such program enter repayment on a covered loan received for attendance in such program, the percentage of such current and former students—

(i) who enter repayment in such fiscal year on a covered loan received for attendance in such program; and

(ii) who are in a positive repayment status on each such covered loan at the end of the second fiscal year following the fiscal year in which such students entered repayment on such loan; and

(B) with respect to any fiscal year in which fewer than 30 of the current and former students in such program enter repayment on a covered loan received for attendance in such program, the percentage of such current and former students—

(i) who, in any of the three most recent fiscal years, entered repayment on a covered loan received for attendance in such program; and

(ii) who are in a positive repayment status on each such covered loan at the end of the second fiscal year following the fiscal year in which such students entered repayment on such loan.

(2) GUARANTY AGENCY REQUIREMENTS.—The Secretary shall require that each guaranty agency that has insured loans for current or former students of the institution afford such institution a reasonable opportunity (as specified by the Secretary) to review and correct errors in the information required to be provided to the Secretary by the guaranty agency for the purposes of calculating a loan repayment rate for programs at such institution, prior to the calculation of such rate.

(3) POSITIVE REPAYMENT STATUS.—For purposes of this section, the term “positive repayment status”, when used with respect to a borrower of a covered loan, means—

(A) the borrower has entered repayment on such loan, and such loan is less than 90 days delinquent;

(B) the loan is paid in full (but not through consolidation); or

(C) with respect to a covered loan that is a Federal ONE Loan, the loan is in a deferment described in 469A(b)(1), and with respect to a covered loan made, insured, or guaranteed under part B or made under part D, the loan is in a deferment or forbearance that is comparable to a deferment described in 469A(b)(1).

(4) *COVERED LOAN.*—*For purposes of this section—*(A) *the term “covered loan” means—*(i) *a loan made, insured, or guaranteed under section 428 or 428H;*(ii) *a Federal Direct Stafford Loan;*(iii) *a Federal Direct Unsubsidized Stafford Loan;*(iv) *a Federal Direct PLUS Loan issued to a graduate or professional student;*(v) *a Federal ONE Loan (other than a Federal ONE Parent Loan or a Federal ONE Consolidation Loan not described in clause (vi)); or*(vi) *the portion of a loan made under section 428C, a Federal Direct Consolidation Loan, or a Federal ONE Consolidation Loan that is used to repay any covered loan described in clauses (i) through (v); and*(B) *the term “covered loan” does not include a loan described in subparagraph (A) that has been discharged under section 437(a).*(d) *SPECIAL RULES.*—(1) *IN GENERAL.*—*In the case of a student who has attended and borrowed at more than one institution of higher education or for more than one educational program at an institution, the student (and such student’s subsequent positive repayment status on a covered loan, if applicable) shall be attributed to each institution of higher education and educational program for attendance at which the student received a loan that entered repayment for the fiscal year for which the loan repayment rate is being calculated.*(2) *DELINQUENT.*—*A loan on which a payment is made by an institution of higher education, such institutions’s owner, agent, contractor, employee, or any other entity or individual affiliated with such institution, in order to prevent the borrower from being more than 90 days delinquent on the loan, shall be considered more than 90 days delinquent for purposes of this subsection.*(3) *REGULATIONS TO PREVENT EVASIONS.*—*The Secretary shall prescribe regulations designed to prevent an institution of higher education from evading the application of a loan repayment rate determination under this section to an educational program at such institution through—*(A) *the use of such measures as branching, consolidation, change of ownership or control, or any similar device; or*(B) *creating a new educational program that is substantially similar to a program determined to be ineligible under subsection (a).*(4) *COLLECTION AND REPORTING OF LOAN REPAYMENT RATES.*—(A) *IN GENERAL* *The Secretary shall publish not less often than once every fiscal year a report showing final loan repayment data for each program at each institution of higher education for which a loan repayment rate is calculated under this section.*(B) *PUBLICATION.*—*The Secretary shall publish the report described in subparagraph (A) by September 30 of each year.*

(C) DRAFTS.—

(i) *IN GENERAL.*—The Secretary shall provide institutions with draft loan repayment rates for each educational program at the institution at least 6 months prior to the release of the final rates under subparagraph (A).

(ii) *CHALLENGE OF DRAFT RATES.*—An institution may challenge a program's draft loan repayment rate provided under clause (i) for any fiscal year by demonstrating to the satisfaction of the Secretary that such draft loan repayment rate is not accurate.

(e) TRANSITION PERIOD.—

(1) *DURING THE TRANSITION PERIOD.*—During the transition period, the cohort default rate for each institution of higher education shall be calculated under section 435(m)(1) for each fiscal year for which such rate has not yet been calculated and any requirements with respect to such rates shall continue to apply, except that the loans with respect to which such cohort default rate shall be calculated shall be the covered loans defined in subsection (c)(4).

(2) *AFTER THE TRANSITION PERIOD.*—After the transition period, no new cohort default rates shall be calculated for an institution of higher education and any requirements with respect to such rates shall cease to apply.

(3) DEFINITIONS.—For purposes of this subsection—

(A) the term “cohort default rate” has the meaning given the term in section 435(m); and

(B) the term “transition period” means the period—

(i) beginning on the date of enactment of the PROSPER Act; and

(ii) ending on the date on which the Secretary has published under subsection (d)(4)(A) the final loan repayment rate for each program at each institution of higher education with respect to each of fiscal years 2016, 2017, and 2018.

SEC. 482. MASTER CALENDAR.

(a) **SECRETARY REQUIRED TO COMPLY WITH SCHEDULE.**—To assure adequate notification and timely delivery of student aid funds under this title, the Secretary shall adhere to the following calendar dates in the year preceding the award year:

(1) Development and distribution of Federal and multiple data entry forms—

(A) by **February 1** *January 15*: first meeting of the technical committee on forms design of the Department;

(B) by **March 1** *February 1*: proposed modifications, updates, and notices pursuant to sections 478 and 483(a)(5) published in the Federal Register;

(C) by **June 1** *May 1*: final modifications, updates, and notices pursuant to sections 478 and 483(a)(5) published in the Federal Register;

(D) by **August 15** *July 15*: application for Federal student assistance and multiple data entry data elements and instructions approved;

[(E) by August 30: final approved forms delivered to servicers and printers;]

- [(F)] (E) by [October 1] *September 1*: Federal and multiple data entry forms and instructions printed; and
 [(G)] (F) by [November 1] *October 1*: Federal and multiple data entry forms, instructions, and training materials distributed.
- (2) Allocations of campus-based and Pell Grant funds—
- (A) by August 1: distribution of institutional application for campus-based funds (FISAP) to institutions;
- (B) by October 1: final date for submission of FISAP by institutions to the Department;
- (C) by November 1: final Pell Grant payment schedule;
- [(C)] (D) by November 15: edited FISAP and computer printout received by institutions;
- [(D)] (E) by December 1: appeals procedures received by institutions;
- [(E)] (F) by December 15: edits returned by institutions to the Department;
- [(F)] (G) by February 1: tentative award levels received by institutions [and final Pell Grant payment schedule];
- [(G)] (H) by February 15: closing date for receipt of institutional appeals by the Department;
- [(H)] (I) by March 1: appeals process completed;
- [(I)] (J) by April 1: final award notifications sent to institutions; and
- [(J)] (K) by [June 1] *May 1*: Pell Grant authorization levels sent to institutions.
- (3) The Secretary shall, to the extent practicable, notify eligible institutions, guaranty agencies, lenders, interested software providers, and, upon request, other interested parties, by December 1 prior to the start of an award year of minimal hardware and software requirements necessary to administer programs under this title.
- (4) The Secretary shall attempt to conduct training activities for financial aid administrators and others in an expeditious and timely manner prior to the start of an award year in order to ensure that all participants are informed of all administrative requirements.
- (b) TIMING FOR REALLOCATIONS.—With respect to any funds reallocated under section [413D(d), 442(d), or 462(i)] *442(d)*, the Secretary shall reallocate such funds at any time during the course of the year that will best meet the purpose of [the programs under subpart 3 of part A, part C, and part E, respectively] *part C*. However, such reallocation shall occur at least once each year, not later than September 30 of that year.
- (c) DELAY OF EFFECTIVE DATE OF LATE PUBLICATIONS.—(1) Except as provided in paragraph (2), any regulatory changes initiated by the Secretary affecting the programs under this title that have not been published in final form by November 1 prior to the start of the award year shall not become effective until the beginning of the second award year after such November 1 date.
- (2)(A) The Secretary may designate any regulatory provision that affects the programs under this title and is published in final form after November 1 as one that an entity subject to the provision may, in the entity's discretion, choose to implement prior to the effective date described in paragraph (1). The Secretary may specify

in the designation when, and under what conditions, an entity may implement the provision prior to that effective date. The Secretary shall publish any designation under this subparagraph in the Federal Register.

(B) If an entity chooses to implement a regulatory provision prior to the effective date described in paragraph (1), as permitted by subparagraph (A), the provision shall be effective with respect to that entity in accordance with the terms of the Secretary's designation.

(d) NOTICE TO CONGRESS.—The Secretary shall notify the authorizing committees when a deadline included in the calendar described in subsection (a) is not met. Nothing in this section shall be interpreted to penalize institutions or deny them the specified times allotted to enable them to return information to the Secretary based on the failure of the Secretary to adhere to the dates specified in this section.

(e) COMPLIANCE CALENDAR.—Prior to the beginning of each award year, the Secretary shall provide to institutions of higher education a list of all the reports and disclosures required under this Act. The list shall include—

(1) the date each report or disclosure is required to be completed and to be submitted, made available, or disseminated;

(2) the required recipients of each report or disclosure;

(3) any required method for transmittal or dissemination of each report or disclosure;

(4) a description of the content of each report or disclosure sufficient to allow the institution to identify the appropriate individuals to be assigned the responsibility for such report or disclosure;

(5) references to the statutory authority, applicable regulations, and current guidance issued by the Secretary regarding each report or disclosure; and

(6) any other information which is pertinent to the content or distribution of the report or disclosure.

SEC. 483. FORMS AND REGULATIONS.

(a) COMMON FINANCIAL AID FORM DEVELOPMENT AND PROCESSING.—

(1) IN GENERAL.—The Secretary, in cooperation with representatives of agencies and organizations involved in student financial assistance, shall produce, distribute, and process free of charge common financial reporting forms as described in this subsection to be used for application and reapplication to determine the need and eligibility of a student for financial assistance under parts A through E (other than subpart 4 of part A). The forms shall be made available to applicants in both paper and electronic formats and shall be referred to as the "Free Application for Federal Student Aid" or the "FAFSA". The Secretary shall work to make the FAFSA consumer-friendly and to make questions on the FAFSA easy for students and families to read and understand, and shall ensure that the FAFSA is available in formats accessible to individuals with disabilities.

(2) PAPER FORMAT.—

(A) IN GENERAL.—The Secretary shall develop, make available, and process—

(i) a paper version of EZ FAFSA, as described in subparagraph (B); and

(ii) a paper version of the other forms described in this subsection, in accordance with subparagraph (C), for any applicant who does not meet the requirements of or does not wish to use the process described in subparagraph (B).

(B) EZ FAFSA.—

(i) IN GENERAL.—The Secretary shall develop and use, after appropriate field testing, a simplified paper form, to be known as the EZ FAFSA, to be used for applicants meeting the requirements of subsection (b) or (c) of section 479.

(ii) REDUCED DATA REQUIREMENTS.—The EZ FAFSA shall permit an applicant to submit, for financial assistance purposes, only the data elements required to make a determination of whether the applicant meets the requirements under subsection (b) or (c) of section 479.

(iii) STATE DATA.—The Secretary shall include on the EZ FAFSA such data items as may be necessary to award State financial assistance, as provided under paragraph (5), except that the Secretary shall not include a State's data if that State does not permit the State's resident applicants to use the EZ FAFSA for State assistance.

(iv) FREE AVAILABILITY AND PROCESSING.—The provisions of paragraph (6) shall apply to the EZ FAFSA, and the data collected by means of the EZ FAFSA shall be available to institutions of higher education, guaranty agencies, and States in accordance with paragraph (10).

(C) PROMOTING THE USE OF ELECTRONIC FAFSA.—

(i) IN GENERAL.—The Secretary shall make all efforts to encourage all applicants to utilize the electronic version of the forms described in paragraph (3).

(ii) MAINTENANCE OF THE FAFSA IN A PRINTABLE ELECTRONIC FILE.—The Secretary shall maintain a version of the paper forms described in subparagraphs (A) and (B) in a printable electronic file that is easily portable, accessible, and downloadable to students on the same website used to provide students with the electronic version of the forms described in paragraph (3).

(iii) REQUESTS FOR PRINTED COPY.—The Secretary shall provide a printed copy of the full paper version of FAFSA upon request.

(iv) REPORTING REQUIREMENT.—The Secretary shall maintain data, and periodically report to Congress, on the impact of the digital divide on students completing applications for aid under this title. The Secretary shall report on the steps taken to eliminate the digital divide and reduce production of the paper form described in subparagraph (A). The Secretary's report

shall specifically address the impact of the digital divide on the following student populations:

- (I) Independent students.
- (II) Traditionally underrepresented students.
- (III) Dependent students.

(3) ELECTRONIC FORMAT.—

(A) IN GENERAL.—The Secretary shall produce, distribute, and process forms in electronic format to meet the requirements of paragraph (1). The Secretary shall develop an electronic version of the forms for applicants who do not meet the requirements of subsection (b) or (c) of section 479.

(B) SIMPLIFIED APPLICATIONS: FAFSA ON THE WEB.—

(i) IN GENERAL.—The Secretary shall develop and use a simplified electronic version of the form to be used by applicants meeting the requirements under subsection (b) or (c) of section 479.

(ii) REDUCED DATA REQUIREMENTS.—The simplified electronic version of the forms shall permit an applicant to submit, for financial assistance purposes, only the data elements required to make a determination of whether the applicant meets the requirements under subsection (b) or (c) of section 479.

(iii) USE OF FORMS.—Nothing in this subsection shall be construed to prohibit the use of the forms developed by the Secretary pursuant to this paragraph by an eligible institution, eligible lender, guaranty agency, State grant agency, private computer software provider, a consortium thereof, or such other entities as the Secretary may designate.

(C) STATE DATA.—The Secretary shall include on the electronic version of the forms such items as may be necessary to determine eligibility for State financial assistance, as provided under paragraph (5), except that the Secretary shall not require an applicant to enter data pursuant to this subparagraph that are required by any State other than the applicant's State of residence.

(D) AVAILABILITY AND PROCESSING.—The data collected by means of the simplified electronic version of the forms shall be available to institutions of higher education, guaranty agencies, and States in accordance with paragraph (10).

(E) PRIVACY.—The Secretary shall ensure that data collection under this paragraph complies with section 552a of title 5, United States Code, and that any entity using the electronic version of the forms developed by the Secretary pursuant to this paragraph shall maintain reasonable and appropriate administrative, technical, and physical safeguards to ensure the integrity and confidentiality of the information, and to protect against security threats, or unauthorized uses or disclosures of the information provided on the electronic version of the forms. Data collected by such electronic version of the forms shall be used only for the application, award, and administration of aid awarded under this title, State aid, or aid awarded by eligible insti-

tutions or such entities as the Secretary may designate. No data collected by such electronic version of the forms shall be used for making final aid awards under this title until such data have been processed by the Secretary or a contractor or designee of the Secretary, except as may be permitted under this title. *Notwithstanding the limitations on sharing data described in this paragraph, an institution of higher education may, with explicit written consent of the applicant, provide such information as is necessary to a scholarship granting organization designated by the applicant to assist the applicant in applying for and receiving financial assistance for the applicant's education at that institution. An organization that receives information pursuant to the preceding sentence shall not maintain, warehouse, sell, or otherwise store or share such information after it has been used to determine the additional aid available for such applicant and the organization shall destroy the information after such determination has been made.*

(F) SIGNATURE.—Notwithstanding any other provision of this Act, the Secretary may continue to permit an electronic version of the form under this paragraph to be submitted without a signature, if a signature is subsequently submitted by the applicant or if the applicant uses a personal identification number provided by the Secretary under subparagraph (G).

(G) PERSONAL IDENTIFICATION NUMBERS AUTHORIZED.—The Secretary may continue to assign to an applicant a personal identification number—

- (i) to enable the applicant to use such number as a signature for purposes of completing an electronic version of a form developed under this paragraph; and
- (ii) for any purpose determined by the Secretary to enable the Secretary to carry out this title.

(H) PERSONAL IDENTIFICATION NUMBER IMPROVEMENT.—The Secretary shall continue to work with the Commissioner of Social Security to minimize the time required for an applicant to obtain a personal identification number when applying for aid under this title through an electronic version of a form developed under this paragraph.

(I) FORMAT.—*Not later than 1 year after the date of the enactment of the PROSPER Act, the Secretary shall make the electronic version of the forms under this paragraph available through a technology tool optimized for use on mobile devices. Such technology tool shall, at minimum, enable applicants to—*

- (i) save data; and
- (ii) submit the FAFSA of such applicant to the Secretary through such tool.

(J) CONSUMER TESTING.—*In developing and maintaining the electronic version of the forms under this paragraph and the technology tool for mobile devices under subparagraph (I), the Secretary shall conduct consumer testing with appropriate persons to ensure the forms and technology tool are designed to be easily usable and under-*

standable by students and families. Such consumer testing shall include—

(i) current and prospective college students, family members of such students, and other individuals with expertise in student financial assistance application processes;

(ii) dependent students and independent students who meet the requirements under subsection (b) or (c) of section 479; and

(iii) dependent students and independent students who do not meet the requirements under subsection (b) or (c) of section 479.

(4) STREAMLINING.—

(A) STREAMLINED REAPPLICATION PROCESS.—

(i) IN GENERAL.—The Secretary shall continue to streamline reapplication forms and processes for an applicant who applies for financial assistance under this title in the next succeeding academic year subsequent to an academic year for which such applicant applied for financial assistance under this title.

(ii) UPDATING OF DATA ELEMENTS.—The Secretary shall determine, in cooperation with States, institutions of higher education, agencies, and organizations involved in student financial assistance, the data elements that may be transferred from the previous academic year's application and those data elements that shall be updated.

(iii) REDUCED DATA AUTHORIZED.—Nothing in this title shall be construed as limiting the authority of the Secretary to reduce the number of data elements required of reapplicants.

(iv) ZERO FAMILY CONTRIBUTION.—Applicants determined to have a zero family contribution pursuant to section 479(c) shall not be required to provide any financial data in a reapplication form, except data that are necessary to determine eligibility under such section.

(B) REDUCTION OF DATA ELEMENTS.—

(i) REDUCTION ENCOURAGED.—Of the number of data elements on the FAFSA used for the 2009–2010 award year, the Secretary, in cooperation with representatives of agencies and organizations involved in student financial assistance and consistent with efforts under subsection (c), shall continue to reduce the number of such data elements required to be entered by all applicants, with the goal of reducing such number by 50 percent.

(ii) REPORT.—The Secretary shall submit a report on the process of this reduction to each of the authorizing committees by June 30, 2011.

(5) STATE REQUIREMENTS.—

(A) IN GENERAL.—Except as provided in paragraphs (2)(B)(iii), (3)(B), and (4)(A)(ii), the Secretary shall include on the forms developed under this subsection, such State-specific data items as the Secretary determines are nec-

essary to meet State requirements for need-based State aid. Such items shall be selected in consultation with State agencies in order to assist in the awarding of State financial assistance in accordance with the terms of this subsection. The number of such data items shall not be less than the number included on the form for the 2008–2009 award year unless a State notifies the Secretary that the State no longer requires those data items for the distribution of State need-based aid.

(B) ANNUAL REVIEW.—The Secretary shall conduct an annual review to determine—

(i) which data items each State requires to award need-based State aid; and

(ii) if the State will permit an applicant to file a form described in paragraph (2)(B) or (3)(B).

(C) FEDERAL REGISTER NOTICE.—Beginning with the forms developed under paragraphs (2)(B) and (3)(B) for the award year 2010–2011, the Secretary shall publish on an annual basis a notice in the Federal Register requiring State agencies to inform the Secretary—

(i) if the State agency is unable to permit applicants to utilize the simplified forms described in paragraphs (2)(B) and (3)(B); and

(ii) of the State-specific nonfinancial data that the State agency requires for delivery of State need-based financial aid.

(D) USE OF SIMPLIFIED FORMS ENCOURAGED.—The Secretary shall encourage States to take such steps as are necessary to encourage the use of simplified forms under this subsection, including those forms described in paragraphs (2)(B) and (3)(B), for applicants who meet the requirements of subsection (b) or (c) of section 479.

(E) CONSEQUENCES IF STATE DOES NOT ACCEPT SIMPLIFIED FORMS.—If a State does not permit an applicant to file a form described in paragraph (2)(B) or (3)(B) for purposes of determining eligibility for State need-based financial aid, the Secretary may determine that State-specific questions for such State will not be included on a form described in paragraph (2)(B) or (3)(B). If the Secretary makes such determination, the Secretary shall advise the State of the Secretary's determination.

(F) LACK OF STATE RESPONSE TO REQUEST FOR INFORMATION.—If a State does not respond to the Secretary's request for information under subparagraph (B), the Secretary shall—

(i) permit residents of that State to complete simplified forms under paragraphs (2)(B) and (3)(B); and

(ii) not require any resident of such State to complete any data items previously required by that State under this section.

(G) RESTRICTION.—The Secretary shall, to the extent practicable, not require applicants to complete any financial or nonfinancial data items that are not required—

(i) by the applicant's State; or

(ii) by the Secretary.

(6) CHARGES TO STUDENTS AND PARENTS FOR USE OF FORMS PROHIBITED.—The need and eligibility of a student for financial assistance under parts A through E (other than under subpart 4 of part A) may be determined only by using a form developed by the Secretary under this subsection. Such forms shall be produced, distributed, and processed by the Secretary, and no parent or student shall be charged a fee by the Secretary, a contractor, a third-party servicer or private software provider, or any other public or private entity for the collection, processing, or delivery of financial aid through the use of such forms. No data collected on a form for which a fee is charged shall be used to complete the form prescribed under this section, except that a Federal or State income tax form prepared by a paid income tax preparer or preparer service for the primary purpose of filing a Federal or State income tax return may be used to complete the form prescribed under this section.

(7) RESTRICTIONS ON USE OF PIN.—No person, commercial entity, or other entity may request, obtain, or utilize an applicant's personal identification number assigned under paragraph (3)(G) for purposes of submitting a form developed under this subsection on an applicant's behalf.

(8) APPLICATION PROCESSING CYCLE.—The Secretary shall enable students to submit forms developed under this subsection and initiate the processing of such forms under this subsection, as early as practicable prior to January 1 of the student's planned year of enrollment.

(9) EARLY ESTIMATES.—The Secretary shall continue to—

(A) permit applicants to enter data in such forms as described in this subsection in the years prior to enrollment in order to obtain a non-binding estimate of the applicant's family contribution (as defined in section 473);

(B) permit applicants to update information submitted on forms described in this subsection, without needing to re-enter previously submitted information;

(C) develop a means to inform applicants, in the years prior to enrollment, of student aid options for individuals in similar financial situations, *including through the tool described in section 485E(c)*;

(D) develop a means to provide a clear and conspicuous notice that the applicant's expected family contribution is subject to change and may not reflect the final expected family contribution used to determine Federal student financial aid award amounts under this title; and

(E) consult with representatives of States, institutions of higher education, and other individuals with experience or expertise in student financial assistance application processes in making updates to forms used to provide early estimates under this paragraph.

(10) DISTRIBUTION OF DATA.—Institutions of higher education, guaranty agencies, and States shall receive, without charge, the data collected by the Secretary using a form developed under this subsection for the purposes of processing loan applications and determining need and eligibility for institutional and State financial aid awards. Entities designated by

institutions of higher education, guaranty agencies, or States to receive such data shall be subject to all the requirements of this section, unless such requirements are waived by the Secretary.

(11) **THIRD PARTY SERVICERS AND PRIVATE SOFTWARE PROVIDERS.**—To the extent practicable and in a timely manner, the Secretary shall provide, to private organizations and consortia that develop software used by institutions of higher education for the administration of funds under this title, all the necessary specifications that the organizations and consortia must meet for the software the organizations and consortia develop, produce, and distribute (including any diskette, modem, or network communications) to be so used. The specifications shall contain record layouts for required data. The Secretary shall develop in advance of each processing cycle an annual schedule for providing such specifications. The Secretary, to the extent practicable, shall use multiple means of providing such specifications, including conferences and other meetings, outreach, and technical support mechanisms (such as training and printed reference materials). The Secretary shall, from time to time, solicit from such organizations and consortia means of improving the support provided by the Secretary.

(12) **PARENT'S SOCIAL SECURITY NUMBER AND BIRTH DATE.**—The Secretary is authorized to include space on the forms developed under this subsection for the social security number and birth date of parents of dependent students seeking financial assistance under this title.

(b) **INFORMATION TO COMMITTEES OF CONGRESS.**—Copies of all rules, regulations, guidelines, instructions, and application forms published or promulgated pursuant to this title shall be provided to the authorizing committees at least 45 days prior to their effective date.

(c) **TOLL-FREE INFORMATION.**—The Secretary shall contract for, or establish, and publicize a toll-free telephone service to provide timely and accurate information to the general public. The information provided shall include specific instructions on completing the application form for assistance under this title. Such service shall also include a service accessible by telecommunications devices for the deaf (TDD's) and shall, in addition to the services provided for in the previous sentence, refer such students to the national clearinghouse on postsecondary education or other appropriate provider of technical assistance and information on postsecondary educational services for individuals with disabilities, including the National Technical Assistance Center under section 777. The Secretary shall continue to implement, to the extent practicable, a toll-free telephone based system to permit applicants who meet the requirements of subsection (b) or (c) of section 479 to submit an application over such system.

(d) **ASSISTANCE IN PREPARATION OF FINANCIAL AID APPLICATION.**—

(1) **PREPARATION AUTHORIZED.**—Notwithstanding any provision of this Act, an applicant may use a preparer for consultative or preparation services for the completion of a form developed under subsection (a) if the preparer satisfies the requirements of this subsection.

(2) PREPARER IDENTIFICATION REQUIRED.—If an applicant uses a preparer for consultative or preparation services for the completion of a form developed under subsection (a), and for which a fee is charged, the preparer shall—

(A) include, at the time the form is submitted to the Department, the name, address or employer's address, social security number or employer identification number, and organizational affiliation of the preparer on the applicant's form; and

(B) be subject to the same penalties as an applicant for purposely giving false or misleading information in the application.

(3) ADDITIONAL REQUIREMENTS.—A preparer that provides consultative or preparation services pursuant to this subsection shall—

(A) clearly inform each individual upon initial contact, including contact through the Internet or by telephone, that the FAFSA and EZ FAFSA are free forms that may be completed without professional assistance via paper or electronic version of the forms that are provided by the Secretary;

(B) include in any advertising clear and conspicuous information that the FAFSA and EZ FAFSA are free forms that may be completed without professional assistance via paper or electronic version of the forms that are provided by the Secretary;

(C) if advertising or providing any information on a website, or if providing services through a website, include on the website a link to the website that provides the electronic version of the forms developed under subsection (a); and

(D) not produce, use, or disseminate any other form for the purpose of applying for Federal student financial aid other than the form developed by the Secretary under subsection (a).

(4) SPECIAL RULE.—Nothing in this Act shall be construed to limit preparers of the forms required under this title that meet the requirements of this subsection from collecting source information from a student or parent, including Internal Revenue Service tax forms, in providing consultative and preparation services in completing the forms.

(e) EARLY APPLICATION AND ESTIMATED AWARD DEMONSTRATION PROGRAM.—

(1) PURPOSE AND OBJECTIVES.—The purpose of the demonstration program under this subsection is to measure the benefits, in terms of student aspirations and plans to attend an institution of higher education, and any adverse effects, in terms of program costs, integrity, distribution, and delivery of aid under this title, of implementing an early application system for all dependent students that allows dependent students to apply for financial aid using information from two years prior to the year of enrollment. Additional objectives associated with implementation of the demonstration program are the following:

(A) To measure the feasibility of enabling dependent students to apply for Federal, State, and institutional financial aid in their junior year of secondary school, using information from two years prior to the year of enrollment, by completing any of the forms under this subsection.

(B) To identify whether receiving final financial aid award estimates not later than the fall of the senior year of secondary school provides students with additional time to compete for the limited resources available for State and institutional financial aid and positively impacts the college aspirations and plans of these students.

(C) To measure the impact of using income information from the years prior to enrollment on—

(i) eligibility for financial aid under this title and for other State and institutional aid; and

(ii) the cost of financial aid programs under this title.

(D) To effectively evaluate the benefits and adverse effects of the demonstration program on program costs, integrity, distribution, and delivery of financial aid.

(2) PROGRAM AUTHORIZED.—Not later than two years after the date of enactment of the Higher Education Opportunity Act, the Secretary shall implement an early application demonstration program enabling dependent students who wish to participate in the program—

(A) to complete an application under this subsection during the academic year that is two years prior to the year such students plan to enroll in an institution of higher education; and

(B) based on the application described in subparagraph (A), to obtain, not later than one year prior to the year of the students' planned enrollment, information on eligibility for Federal Pell Grants, Federal student loans under this title, and State and institutional financial aid for the student's first year of enrollment in the institution of higher education.

(3) EARLY APPLICATION AND ESTIMATED AWARD.—For all dependent students selected for participation in the demonstration program who submit a completed FAFSA, or, as appropriate, an EZ FAFSA, two years prior to the year such students plan to enroll in an institution of higher education, the Secretary shall, not later than one year prior to the year of such planned enrollment—

(A) provide each student who completes an early application with an estimated determination of such student's—

(i) expected family contribution for the first year of the student's enrollment in an institution of higher education; and

(ii) Federal Pell Grant award for the first such year, based on the Federal Pell Grant amount, determined under section 401(b)(2)(A), for which a student is eligible at the time of application; and

(B) remind the students of the need to update the students' information during the calendar year of enrollment

using the expedited reapplication process provided for in subsection (a)(4)(A).

(4) PARTICIPANTS.—The Secretary shall include as participants in the demonstration program—

(A) States selected through the application process described in paragraph (5);

(B) institutions of higher education within the selected States that are interested in participating in the demonstration program, and that can make estimates or commitments of institutional student financial aid, as appropriate, to students the year before the students' planned enrollment date; and

(C) secondary schools within the selected States that are interested in participating in the demonstration program, and that can commit resources to—

(i) advertising the availability of the program;

(ii) identifying students who might be interested in participating in the program;

(iii) encouraging such students to apply; and

(iv) participating in the evaluation of the program.

(5) APPLICATIONS.—Each State that is interested in participating in the demonstration program shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary shall require. The application shall include—

(A) information on the amount of the State's need-based student financial assistance available, and the eligibility criteria for receiving such assistance;

(B) a commitment to make, not later than the year before the dependent students participating in the demonstration program plan to enroll in an institution of higher education, an estimate of the award of State financial aid to such dependent students;

(C) a plan for recruiting institutions of higher education and secondary schools with different demographic characteristics to participate in the program;

(D) a plan for selecting institutions of higher education and secondary schools to participate in the program that—

(i) demonstrate a commitment to encouraging students to submit a FAFSA, or, as appropriate, an EZ FAFSA, two years before the students' planned date of enrollment in an institution of higher education;

(ii) serve different populations of students;

(iii) in the case of institutions of higher education—

(I) to the extent possible, are of varying types and sectors; and

(II) commit to making, not later than the year prior to the year that dependent students participating in the demonstration program plan to enroll in the institution—

(aa) estimated institutional awards to participating dependent students; and

(bb) estimated grants or other financial aid available under this title (including supplemental grants under subpart 3 of part A), for

all participating dependent students, along with information on State awards, as provided to the institution by the State;

(E) a commitment to participate in the evaluation conducted by the Secretary; and

(F) such other information as the Secretary may require.

(6) SPECIAL PROVISIONS.—

(A) DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.—A financial aid administrator at an institution of higher education participating in a demonstration program under this subsection may use the discretion provided under section 479A as necessary for students participating in the demonstration program.

(B) WAIVERS.—The Secretary is authorized to waive, for an institution of higher education participating in the demonstration program, any requirements under this title, or regulations prescribed under this title, that will make the demonstration program unworkable, except that the Secretary shall not waive any provisions with respect to the maximum award amounts for grants and loans under this title.

(7) OUTREACH.—The Secretary shall make appropriate efforts to notify States of the demonstration program under this subsection. Upon determination of participating States, the Secretary shall continue to make efforts to notify institutions of higher education and dependent students within participating States of the opportunity to participate in the demonstration program and of the participation requirements.

(8) EVALUATION.—The Secretary shall conduct a rigorous evaluation of the demonstration program to measure the program's benefits and adverse effects, as the benefits and effects relate to the purpose and objectives of the program described in paragraph (1). In conducting the evaluation, the Secretary shall—

(A) determine whether receiving financial aid estimates one year prior to the year in which the student plans to enroll in an institution of higher education, has a positive impact on the higher education aspirations and plans of such student;

(B) measure the extent to which using a student's income information from the year that is two years prior to the student's planned enrollment date had an impact on the ability of States and institutions of higher education to make financial aid awards and commitments;

(C) determine what operational changes are required to implement the program on a larger scale;

(D) identify any changes to Federal law that are necessary to implement the program on a permanent basis;

(E) identify the benefits and adverse effects of providing early estimates on program costs, program operations, program integrity, award amounts, distribution, and delivery of aid; and

(F) examine the extent to which estimated awards differ from actual awards made to students participating in the program.

(9) CONSULTATION.—The Secretary shall consult, as appropriate, with the Advisory Committee on Student Financial Assistance established under section 491 on the design, implementation, and evaluation of the demonstration program.

[(f) REDUCTION OF INCOME AND ASSET INFORMATION TO DETERMINE ELIGIBILITY FOR STUDENT FINANCIAL AID.—

[(1) CONTINUATION OF CURRENT FAFSA SIMPLIFICATION EFFORTS.—The Secretary shall continue to examine—

[(A) how the Internal Revenue Service can provide to the Secretary income and other data needed to compute an expected family contribution for taxpayers and dependents of taxpayers, and when in the application cycle the data can be made available;

[(B) whether data provided by the Internal Revenue Service can be used to—

[(i) prepopulate the electronic version of the FAFSA with student and parent taxpayer data; or

[(ii) generate an expected family contribution without additional action on the part of the student and taxpayer; and

[(C) whether the data elements collected on the FAFSA that are needed to determine eligibility for student aid, or to administer the Federal student financial aid programs under this title, but are not needed to compute an expected family contribution, such as information regarding the student's citizenship or permanent residency status, registration for selective service, or driver's license number, can be reduced without adverse effects.

[(2) REPORT ON FAFSA SIMPLIFICATION EFFORTS TO DATE.—Not later than 90 days after the date of enactment of the Higher Education Opportunity Act, the Secretary shall provide a written report to the authorizing committees on the work the Department has done with the Secretary of the Treasury regarding—

[(A) how the expected family contribution of a student can be calculated using substantially less income and asset information than was used on March 31, 2008;

[(B) the extent to which the reduced income and asset information will result in a redistribution of Federal grants and subsidized loans under this title, State aid, or institutional aid, or in a change in the composition of the group of recipients of such aid, and the amount of such redistribution;

[(C) how the alternative approaches for calculating the expected family contribution will—

[(i) rely mainly, in the case of students and parents who file income tax returns, on information available on the 1040, 1040EZ, and 1040A; and

[(ii) include formulas for adjusting income or asset information to produce similar results to the existing approach with less data;

[(D) how the Internal Revenue Service can provide to the Secretary of Education income and other data needed to compute an expected family contribution for taxpayers

and dependents of taxpayers, and when in the application cycle the data can be made available;

[(E) whether data provided by the Internal Revenue Service can be used to—

[(i) prepopulate the electronic version of the FAFSA with student and parent taxpayer data; or

[(ii) generate an expected family contribution without additional action on the part of the student and taxpayer;

[(F) the extent to which the use of income data from two years prior to a student's planned enrollment date will change the expected family contribution computed in accordance with part F, and potential adjustments to the need analysis formula that will minimize the change; and

[(G) the extent to which the data elements collected on the FAFSA on March 31, 2008, that are needed to determine eligibility for student aid or to administer the Federal student financial aid programs, but are not needed to compute an expected family contribution, such as information regarding the student's citizenship or permanent residency status, registration for selective service, or driver's license number, can be reduced without adverse effects.

[(3) STUDY.—

[(A) FORMATION OF STUDY GROUP.—Not later than 90 days after the date of enactment of the Higher Education Opportunity Act, the Comptroller General shall convene a study group the membership of which shall include the Secretary of Education, the Secretary of the Treasury, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, representatives of institutions of higher education with expertise in Federal and State financial aid assistance, State chief executive officers of higher education with a demonstrated commitment to simplifying the FAFSA, and such other individuals as the Comptroller General and the Secretary of Education may designate.

[(B) STUDY REQUIRED.—The Comptroller General, in consultation with the study group convened under subparagraph (A) shall—

[(i) review and build on the work of the Secretary of Education and the Secretary of the Treasury, and individuals with expertise in analysis of financial need, to assess alternative approaches for calculating the expected family contribution under the statutory need analysis formula in effect on the day before the date of enactment of the Higher Education Opportunity Act and under a new calculation that will use substantially less income and asset information than was used for the 2008–2009 FAFSA;

[(ii) conduct an additional analysis if necessary; and

[(iii) make recommendations to the authorizing committees.

[(C) OBJECTIVES OF STUDY.—The objectives of the study required under subparagraph (B) are—

[(i) to determine methods to shorten the FAFSA and make the FAFSA easier and less time-consuming to complete, thereby increasing higher education access for low-income students;

[(ii) to identify changes to the statutory need analysis formula that will be necessary to reduce the amount of financial information students and families need to provide to receive a determination of eligibility for student financial aid without causing significant redistribution of Federal grants and subsidized loans under this title; and

[(iii) to review State and institutional needs and uses for data collected on the FAFSA, and to determine the best means of addressing such needs in the case of modification of the FAFSA as described in clause (i), or modification of the need analysis formula as described in clause (ii).

[(D) REQUIRED SUBJECTS OF STUDY.—The study required under subparagraph (B) shall examine—

[(i) with respect to simplification of the financial aid application process using the statutory requirements for need analysis—

[(I) additional steps that can be taken to simplify the financial aid application process for students who (or, in the case of dependent students, whose parents) are not required to file a Federal income tax return for the prior taxable year;

[(II) information on State use of information provided on the FAFSA, including—

[(aa) whether a State uses, as of the time of the study, or can use, a student's expected family contribution based on data from two years prior to the student's planned enrollment date;

[(bb) the extent to which States and institutions will accept the data provided by the Internal Revenue Service to prepopulate the electronic version of the FAFSA to determine the distribution of State and institutional student financial aid funds;

[(cc) what data are used by States, as of the time of the study, to determine eligibility for State student financial aid, and whether the data are used for merit- or need-based aid;

[(dd) whether State data are required by State law, State regulations, or policy directives; and

[(ee) the extent to which any State-specific information requirements can be met by completion of a State application linked to the electronic version of the FAFSA; and

[(III) information on institutional needs, including the extent to which institutions of higher education are already using supplemental forms to collect additional data from students and their

families to determine eligibility for institutional funds; and

[(ii) ways to reduce the amount of financial information students and families need to provide to receive a determination of eligibility for student financial aid, taking into account—

[(I) the amount of redistribution of Federal grants and subsidized loans under this title caused by such a reduction, and the benefits to be gained by having an application process that will be easier for students and their families;

[(II) students and families who do not file income tax returns;

[(III) the extent to which the full array of income and asset information collected on the FAFSA, as of the time of the study, plays an important role in the awarding of need-based State financial aid, and whether the State can use an expected family contribution generated by the FAFSA, instead of income and asset information or a calculation with reduced data elements, to support determinations of eligibility for such State aid programs and, if not, what additional information will be needed or what changes to the FAFSA will be required; and

[(IV) information on institutional needs, including the extent to which institutions of higher education are already using supplemental forms to collect additional data from students and their families to determine eligibility for institutional funds; and

[(V) changes to this Act or other laws that will be required to implement a modified need analysis system.

[(4) CONSULTATION.—The Secretary shall consult with the Advisory Committee on Student Financial Assistance established under section 491 as appropriate in carrying out this subsection.

[(5) REPORTS.—

[(A) REPORTS ON STUDY.—The Secretary shall prepare and submit to the authorizing committees—

[(i) not later than one year after the date of enactment of the Higher Education Opportunity Act, an interim report on the progress of the study required under paragraph (3) that includes any preliminary recommendations by the study group established under such paragraph; and

[(ii) not later than two years after the date of enactment of the Higher Education Opportunity Act, a final report on the results of the study required under paragraph (3) that includes recommendations by the study group established under such paragraph.

[(B) REPORTS ON FAFSA SIMPLIFICATION EFFORTS.—The Secretary shall report to the authorizing committees, from

time to time, on the progress of the simplification efforts under this subsection.】

(f) USE OF INTERNAL REVENUE SERVICE DATA RETRIEVAL TOOL TO POPULATE FAFSA.—

(1) SIMPLIFICATION EFFORTS.—The Secretary shall—

(A) make every effort to allow applicants to utilize the current data retrieval tool to transfer, through a rigorous authentication process, data available from the Internal Revenue Service to reduce the amount of original data entry by applicants and strengthen the reliability of data used to calculate expected family contributions, including through the use of technology to—

(i) allow an applicant to automatically populate the electronic version of the forms under this paragraph with data available from the Internal Revenue Service; and

(ii) direct an applicant to appropriate questions on such forms based on the applicant's answers to previous questions; and

(B) allow single taxpayers, married taxpayers filing jointly, and married taxpayers filing separately to utilize the current data retrieval tool to its full capacity.

(2) USE OF TAX RETURN IN APPLICATION PROCESS.—The Secretary shall continue to examine whether data provided by the Internal Revenue Service can be used to generate an expected family contribution without additional action on the part of the student and taxpayer.

(3) REPORTS ON FAFSA SIMPLIFICATION EFFORTS.—Not less than once every year, the Secretary shall report to the authorizing committees on—

(A) the progress of the simplification efforts under this subsection; and

(B) the security of the data retrieval tool.

(g) ADDRESSING THE DIGITAL DIVIDE.—The Secretary shall utilize savings accrued by moving more applicants to the electronic version of the forms described in subsection (a)(3) to improve access to the electronic version of the forms described in such subsection for applicants meeting the requirements of subsection (b) or (c) of section 479.

(h) ADJUSTMENTS.—The Secretary shall disclose, on the form notifying a student of the student's expected family contribution, that the student may, on a case-by-case basis, qualify for an adjustment under section 479A to the cost of attendance or the values of the data items required to calculate the expected contribution for the student or parent. Such disclosure shall specify—

(1) the special circumstances under which a student or family member may qualify for such adjustment; and

(2) additional information regarding the steps a student or family member may take in order to seek an adjustment under section 479A.

SEC. 484. STUDENT ELIGIBILITY.

(a) IN GENERAL.—In order to receive any grant, loan, or work assistance under this title, a student must—

(1) be enrolled or accepted for enrollment in [a degree, certificate, or other program (including a program of study abroad

approved for credit by the eligible institution at which such student is enrolled) leading to a] *an eligible program (including a program of study abroad approved for credit by the eligible institution at which such student is enrolled) leading to a degree, certificate, or other recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487, except as provided in subsections (b)(3) and (b)(4), and not be enrolled in an elementary or secondary school;*

(2) if the student is presently enrolled at an institution, be maintaining satisfactory progress in the course of study the student is pursuing in accordance with the provisions of subsection (c);

(3) not owe a refund on grants previously received at any institution under this title, or be in default on any loan from a student loan fund at any institution provided for in part E, *as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act*, or a loan made, insured, or guaranteed by the Secretary under this title for attendance at any institution;

(4) file with the Secretary, as part of the original financial aid application process, a certification, which need not be notarized, but which shall include—

(A) a statement of educational purpose stating that the money attributable to such grant, loan, or loan guarantee will be used solely for expenses related to attendance or continued attendance at such institution; and

(B) such student's social security number;

(5) be a citizen or national of the United States, a permanent resident of the United States, or able to provide evidence from the Immigration and Naturalization Service that he or she is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident; and

(6) if the student has been convicted of, or has pled *nolo contendere* or guilty to, a crime involving fraud in obtaining funds under this title, have completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud.

(b) **ELIGIBILITY FOR STUDENT LOANS.**—(1) In order to be eligible to receive any loan under this title (other than a loan under section 428B or 428C, or under section 428H pursuant to an exercise of discretion under section 479A) for any period of enrollment, a student who is not a graduate or professional student (as defined in regulations of the Secretary), and who is enrolled in a program at an institution which has a participation agreement with the Secretary to make awards under subpart 1 of part A of this title, shall—

(A)(i) have received a determination of eligibility or ineligibility for a Pell Grant under such subpart 1 for such period of enrollment; and (ii) if determined to be eligible, have filed an application for a Pell Grant for such enrollment period; or

(B) have (A) filed an application with the Pell Grant processor for such institution for such enrollment period, and (B) received from the financial aid administrator of the institution

a preliminary determination of the student's eligibility or ineligibility for a grant under such subpart 1.

(2) In order to be eligible to receive any loan under section 428A for any period of enrollment, a student shall—

(A) have received a determination of need for a loan under section 428(a)(2)(B) of this title;

(B) if determined to have need for a loan under section 428, have applied for such a loan; and

(C) has applied for a loan under section 428H, if such student is eligible to apply for such a loan.

(3) A student who—

(A) is carrying at least one-half the normal full-time work load for the course of study that the student is pursuing, as determined by an eligible institution, and

(B) is enrolled in a course of study necessary for enrollment in a program leading to a degree or certificate, shall be, notwithstanding paragraph (1) of subsection (a), eligible to apply for loans under **[part B or D]** *part B, D, or E* of this title. The eligibility described in this paragraph shall be restricted to one 12-month period.

(4) A student who—

(A) is carrying at least one-half the normal full-time work load for the course of study the student is pursuing, as determined by the institution, and

(B) is enrolled or accepted for enrollment in a program at an eligible institution necessary for a professional credential or certification from a State that is required for employment as a teacher in an elementary or secondary school in that State, shall be, notwithstanding paragraph (1) of subsection (a), eligible to apply for loans under part B, D, or E or work-study assistance under part C of this title.

(5) Notwithstanding any other provision of this subsection, no incarcerated student is eligible to receive a loan under this title.

(6) *For purposes of competency-based education, in order to be eligible to receive any loan under this title for an award year, a student may be enrolled in coursework attributable only to 2 academic years within the award year.*

(c) SATISFACTORY PROGRESS.—(1) For the purpose of subsection (a)(2), a student is maintaining satisfactory progress if—

(A) the institution at which the student is in attendance, reviews the progress of the student at *least as frequently as* the end of each academic year, or its equivalent, as determined by the institution**[, and]**;

(B) **[the student has a cumulative]** *the student has—*

(i) *a cumulative C average, or its equivalent or academic standing consistent with the requirements for graduation, as determined by the institution, at the end of [the second] each such academic year[.]; or*

(ii) *for the purposes of competency-based programs, a non-grade equivalent demonstration of academic standing consistent with the requirements for graduation, as determined by the institution, at the end of each such academic year; and*

(C) *the student maintains a pace in his or her educational program that—*

(i) ensures that the student completes the program within the maximum timeframe; and

(ii) is measured by a method determined by the institution which may be based on credit hours, clock hours, or competencies completed.

(2) Whenever a student fails to meet the eligibility requirements of subsection (a)(2) as a result of the application of this subsection and subsequent to that failure the student has academic standing consistent with the requirements for graduation, as determined by the institution, for any [grading period] *evaluation period*, the student may, subject to this subsection, again be eligible under subsection (a)(2) for a grant, loan, or work assistance under this title.

(3) Any institution of higher education at which the student is in attendance may waive the provisions of paragraph (1) or paragraph (2) of this subsection for undue hardship based on—

(A) the death of a relative of the student,

(B) the personal injury or illness of the student, or

(C) special circumstances as determined by the institution.

(4) For purposes of this subsection, the term “maximum timeframe” means—

(A) with respect to an undergraduate program measured in credit hours, a period that is no longer than 150 percent of the published length of the educational program, as measured in credit hours;

(B) with respect to an undergraduate program measured in competencies, a period that is no longer than 150 percent of the published length of the educational program, as measured in competencies;

(C) with respect to an undergraduate program measured in clock hours, a period that is no longer than 150 percent of the published length of the educational program, as measured by the cumulative number of clock hours the student is required to complete and expressed in calendar time; and

(D) with respect to a graduate program, a period defined by the institution that is based on the length of the educational program.

[(d) STUDENTS WHO ARE NOT HIGH SCHOOL GRADUATES.—

[(1) STUDENT ELIGIBILITY.—In order for a student who does not have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, to be eligible for any assistance under subparts 1, 3, and 4 of part A and parts B, C, D, and E of this title, the student shall meet the requirements of one of the following subparagraphs:

[(A) The student is enrolled in an eligible career pathway program and meets one of the following standards:

[(i) The student shall take an independently administered examination and shall achieve a score, specified by the Secretary, demonstrating that such student can benefit from the education or training being offered. Such examination shall be approved by the Secretary on the basis of compliance with such standards for development, administration, and scoring as the Secretary may prescribe in regulations.

[(ii) The student shall be determined as having the ability to benefit from the education or training in accordance with such process as the State shall prescribe. Any such process described or approved by a State for the purposes of this section shall be effective 6 months after the date of submission to the Secretary unless the Secretary disapproves such process. In determining whether to approve or disapprove such process, the Secretary shall take into account the effectiveness of such process in enabling students without secondary school diplomas or the equivalent thereof to benefit from the instruction offered by institutions utilizing such process, and shall also take into account the cultural diversity, economic circumstances, and educational preparation of the populations served by the institutions.

[(iii) The student shall be determined by the institution of higher education as having the ability to benefit from the education or training offered by the institution of higher education upon satisfactory completion of 6 credit hours or the equivalent coursework that are applicable toward a degree or certificate offered by the institution of higher education.

[(B) The student has completed a secondary school education in a home school setting that is treated as a home school or private school under State law.

[(2) ELIGIBLE CAREER PATHWAY PROGRAM.—In this subsection, the term “eligible career pathway program” means a program that combines rigorous and high-quality education, training, and other services that—

[(A) aligns with the skill needs of industries in the economy of the State or regional economy involved;

[(B) prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the Act of August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) (referred to individually in this Act as an “apprenticeship”, except in section 171);

[(C) includes counseling to support an individual in achieving the individual’s education and career goals;

[(D) includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;

[(E) organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;

[(F) enables an individual to attain a secondary school diploma or its recognized equivalent, and at least 1 recognized postsecondary credential; and

[(G) helps an individual enter or advance within a specific occupation or occupational cluster.]

(d) *ADDITIONAL STUDENT ELIGIBILITY.*—

(1) *ABILITY TO BENEFIT STUDENTS.*—In order for a student who does not have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, to be eligible for any assistance under subpart 1 of part A and parts C, D, and E of this title, the student shall be determined by the institution of higher education as having the ability to benefit from the education offered by the institution of higher education upon satisfactory completion of 6 credit hours or the equivalent coursework that are applicable toward a degree or certificate offered by the institution of higher education.

(2) *HOMESCHOOL STUDENTS.*—A student who has completed a secondary school education in a home school setting that is treated as a home school or private school under State law shall be eligible for assistance under subpart 1 of part A and parts C, D, and E of this title.

(3) *SECONDARY EDUCATION PROVIDED BY NONPROFIT CORPORATIONS.*—A student who has completed a secondary education provided by a school operating as a nonprofit corporation that offers a program of study determined acceptable for admission at an institution of higher education shall be eligible for assistance under subpart 1 of part A and parts C, D, and E of this title.

(e) *CERTIFICATION FOR GSL ELIGIBILITY.*—Each eligible institution may certify student eligibility for a loan by an eligible lender under part B of this title prior to completing the review for accuracy of the information submitted by the applicant required by regulations issued under this title, if—

(1) checks for the loans are mailed to the eligible institution prior to disbursements;

(2) the disbursement is not made until the review is complete; and

(3) the eligible institution has no evidence or documentation on which the institution may base a determination that the information submitted by the applicant is incorrect.

(f) *LOSS OF ELIGIBILITY FOR VIOLATION OF LOAN LIMITS.*—(1) No student shall be eligible to receive any grant, loan, or work assistance under this title if the eligible institution determines that the student fraudulently borrowed in violation of the annual loan limits under part B, part D, **[or part E]**, *part E (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act)*, or *part E (as in effect on or after the date of enactment of the PROSPER Act)* of this title in the same academic year, or if the student fraudulently borrowed in excess of the aggregate maximum loan limits under such part B, part D, **[or part E]**, *part E (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act)*, or *part E (as in effect on or after the date of enactment of the PROSPER Act)*.

(2) If the institution determines that the student inadvertently borrowed amounts in excess of such annual or aggregate maximum loan limits, such institution shall allow the student to repay any amount borrowed in excess of such limits prior to certifying the student's eligibility for further assistance under this title.

(g) *VERIFICATION OF IMMIGRATION STATUS.*—

(1) IN GENERAL.—The Secretary shall implement a system under which the statements and supporting documentation, if required, of an individual declaring that such individual is in compliance with the requirements of subsection (a)(5) shall be verified prior to the individual's receipt of a grant, loan, or work assistance under this title.

(2) SPECIAL RULE.—The documents collected and maintained by an eligible institution in the admission of a student to the institution may be used by the student in lieu of the documents used to establish both employment authorization and identity under section 274A(b)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1324a) to verify eligibility to participate in work-study programs under part C of this title.

(3) VERIFICATION MECHANISMS.—The Secretary is authorized to verify such statements and supporting documentation through a data match, using an automated or other system, with other Federal agencies that may be in possession of information relevant to such statements and supporting documentation.

(4) REVIEW.—In the case of such an individual who is not a citizen or national of the United States, if the statement described in paragraph (1) is submitted but the documentation required under paragraph (2) is not presented or if the documentation required under paragraph (2)(A) is presented but such documentation is not verified under paragraph (3)—

(A) the institution—

(i) shall provide a reasonable opportunity to submit to the institution evidence indicating a satisfactory immigration status, and

(ii) may not delay, deny, reduce, or terminate the individual's eligibility for the grant, loan, or work assistance on the basis of the individual's immigration status until such a reasonable opportunity has been provided; and

(B) if there are submitted documents which the institution determines constitute reasonable evidence indicating such status—

(i) the institution shall transmit to the Immigration and Naturalization Service either photostatic or other similar copies of such documents, or information from such documents, as specified by the Immigration and Naturalization Service, for official verification,

(ii) pending such verification, the institution may not delay, deny, reduce, or terminate the individual's eligibility for the grant, loan, or work assistance on the basis of the individual's immigration status, and

(iii) the institution shall not be liable for the consequences of any action, delay, or failure of the Service to conduct such verification.

(h) LIMITATIONS OF ENFORCEMENT ACTIONS AGAINST INSTITUTIONS.—The Secretary shall not take any compliance, disallowance, penalty, or other regulatory action against an institution of higher education with respect to any error in the institution's determination to make a student eligible for a grant, loan, or work assistance based on citizenship or immigration status—

(1) if the institution has provided such eligibility based on a verification of satisfactory immigration status by the Immigration and Naturalization Service,

(2) because the institution, under subsection (g)(4)(A)(i), was required to provide a reasonable opportunity to submit documentation, or

(3) because the institution, under subsection (g)(4)(B)(i), was required to wait for the response of the Immigration and Naturalization Service to the institution's request for official verification of the immigration status of the student.

(i) **VALIDITY OF LOAN GUARANTEES FOR LOAN PAYMENTS MADE BEFORE IMMIGRATION STATUS VERIFICATION COMPLETED.**—Notwithstanding subsection (h), if—

(1) a guaranty is made under this title for a loan made with respect to an individual,

(2) at the time the guaranty is entered into, the provisions of subsection (h) had been complied with,

(3) amounts are paid under the loan subject to such guaranty, and

(4) there is a subsequent determination that, because of an unsatisfactory immigration status, the individual is not eligible for the loan,

the official of the institution making the determination shall notify and instruct the entity making the loan to cease further payments under the loan, but such guaranty shall not be voided or otherwise nullified with respect to such payments made before the date the entity receives the notice.

(k) **SPECIAL RULE FOR CORRESPONDENCE COURSES.**—A student shall not be eligible to receive grant, loan, or work assistance under this title for a correspondence course unless such course is part of a program leading to an associate, bachelor or graduate degree.

[(1) COURSES OFFERED THROUGH DISTANCE EDUCATION.—

[(1) RELATION TO CORRESPONDENCE COURSES.—

[(A) IN GENERAL.—A student enrolled in a course of instruction at an institution of higher education that is offered principally through distance education and leads to a recognized certificate, or recognized associate, recognized baccalaureate, or recognized graduate degree, conferred by such institution, shall not be considered to be enrolled in correspondence courses.

[(B) EXCEPTION.—An institution of higher education referred to in subparagraph (A) shall not include an institution or school described in section 3(3)(C) of the Carl D. Perkins Career and Technical Education Act of 2006.

[(2) REDUCTIONS OF FINANCIAL AID.—A student's eligibility to receive grants, loans, or work assistance under this title shall be reduced if a financial aid officer determines under the discretionary authority provided in section 479A that distance education results in a substantially reduced cost of attendance to such student.

[(3) SPECIAL RULE.—For award years beginning prior to July 1, 2008, the Secretary shall not take any compliance, disallowance, penalty, or other action based on a violation of this subsection against a student or an eligible institution when such action arises out of such institution's prior award of student as-

assistance under this title if the institution demonstrates to the satisfaction of the Secretary that its course of instruction would have been in conformance with the requirements of this subsection.]

[(m)] (l) STUDENTS WITH A FIRST BACCALAUREATE OR PROFESSIONAL DEGREE.—A student shall not be ineligible for assistance under parts B, C, D, and E of this title because such student has previously received a baccalaureate or professional degree.

[(n)] DATA BASE MATCHING.— [To enforce] (m) SELECTIVE SERVICE REGISTRATION.—

(1) DATA BASE MATCHING.—To enforce the Selective Service registration provisions of section 12(f) of the Military Selective Service Act (50 U.S.C. App. 462(f)), the Secretary shall conduct data base matches with the Selective Service, using common demographic data elements. Appropriate confirmation, through an application output document or through other means, of any person's registration shall fulfill the requirement to file a separate statement of compliance. In the absence of a confirmation from such data matches, an institution may also use data or documents that support either the student's registration, or the absence of a registration requirement for the student, to fulfill the requirement to file a separate statement of compliance. The mechanism for reporting the resolution of nonconfirmed matches shall be prescribed by the Secretary in regulations.

(2) EFFECT OF FAILURE TO REGISTER FOR SELECTIVE SERVICE.—A person who is 26 years of age or older shall not be ineligible for assistance or a benefit provided under this title by reason of failure to present himself for, and submit to, registration under section 3 of the Military Selective Service Act (50 U.S.C. 3802).

[(o)] (n) STUDY ABROAD.—Nothing in this Act shall be construed to limit or otherwise prohibit access to study abroad programs approved by the home institution at which a student is enrolled. An otherwise eligible student who is engaged in a program of study abroad approved for academic credit by the home institution at which the student is enrolled shall be eligible to receive grant, loan, or work assistance under this title, without regard to whether such study abroad program is required as part of the student's degree program.

[(p)] (o) VERIFICATION OF SOCIAL SECURITY NUMBER.—The Secretary of Education, in cooperation with the Commissioner of the Social Security Administration, shall verify any social security number provided by a student to an eligible institution under subsection (a)(4) and shall enforce the following conditions:

(1) Except as provided in paragraphs (2) and (3), an institution shall not deny, reduce, delay, or terminate a student's eligibility for assistance under this part because social security number verification is pending.

(2) If there is a determination by the Secretary that the social security number provided to an eligible institution by a student is incorrect, the institution shall deny or terminate the student's eligibility for any grant, loan, or work assistance under this title until such time as the student provides documented evidence of a social security number that is determined by the institution to be correct.

(3) If there is a determination by the Secretary that the social security number provided to an eligible institution by a student is incorrect, and a correct social security number cannot be provided by such student, and a loan has been guaranteed for such student under part B of this title, the institution shall notify and instruct the lender and guaranty agency making and guaranteeing the loan, respectively, to cease further disbursements of the loan, but such guaranty shall not be voided or otherwise nullified with respect to such disbursements made before the date that the lender and the guaranty agency receives such notice.

(4) Nothing in this subsection shall permit the Secretary to take any compliance, disallowance, penalty, or other regulatory action against—

(A) any institution of higher education with respect to any error in a social security number, unless such error was a result of fraud on the part of the institution; or

(B) any student with respect to any error in a social security number, unless such error was a result of fraud on the part of the student.

[(q)] (p) USE OF INCOME DATA.—

(1) **MATCHING WITH IRS.**—The Secretary, in cooperation with the Secretary of the Treasury, is authorized to obtain from the Internal Revenue Service such information reported on Federal income tax returns by applicants, or by any other person whose financial information is required to be provided on the Federal student financial aid application, as the Secretary determines is necessary for the purpose of—

(A) prepopulating the Federal student financial aid application described in section 483; or

(B) verifying the information reported on such student financial aid applications.

(2) **CONSENT.**—The Secretary may require that applicants for financial assistance under this title provide a consent to the disclosure of the data described in paragraph (1) as a condition of the student receiving assistance under this title. The parents of an applicant, in the case of a dependent student, or the spouse of an applicant, in the case of an applicant who is married but files separately, may also be required to provide consent as a condition of the student receiving assistance under this title.

[(r)] (q) SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES.—

(1) **IN GENERAL.**—A student who is convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance for conduct that occurred during a period of enrollment for which the student was receiving any grant, loan, or work assistance under this title shall not be eligible to receive any grant, loan, or work assistance under this title from the date of that conviction for the period of time specified in the following table:

If convicted of an offense involving:

The possession of a controlled substance:

First offense

Second offense

Ineligibility period is:

1 year

2 years

Third offense	Indefinite.
The sale of a controlled substance:	Ineligibility period is:
First offense	2 years
Second offense	Indefinite.

(2) REHABILITATION.—A student whose eligibility has been suspended under paragraph (1) may resume eligibility before the end of the ineligibility period determined under such paragraph if—

(A) the student satisfactorily completes a drug rehabilitation program that—

(i) complies with such criteria as the Secretary shall prescribe in regulations for purposes of this paragraph; and

(ii) includes two unannounced drug tests;

(B) the student successfully passes two unannounced drug tests conducted by a drug rehabilitation program that complies with such criteria as the Secretary shall prescribe in regulations for purposes of subparagraph (A)(i); or

(C) the conviction is reversed, set aside, or otherwise rendered nugatory.

(3) DEFINITIONS.—In this subsection, the term “controlled substance” has the meaning given the term in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

[(s)] (7) STUDENTS WITH INTELLECTUAL DISABILITIES.—

(1) DEFINITIONS.—In this subsection the terms “comprehensive transition and postsecondary program for students with intellectual disabilities” and “student with an intellectual disability” have the meanings given the terms in section 760.

(2) REQUIREMENTS.—Notwithstanding subsections (a), (c), and (d), in order to receive any grant or work assistance under section 401, subpart 3 of part A, or part C, a student with an intellectual disability shall—

(A) be enrolled or accepted for enrollment in a comprehensive transition and postsecondary program for students with intellectual disabilities at an institution of higher education;

(B) be maintaining satisfactory progress in the program as determined by the institution, in accordance with standards established by the institution; and

(C) meet the requirements of paragraphs (3), (4), (5), and (6) of subsection (a).

(3) AUTHORITY.—Notwithstanding any other provision of law unless such provision is enacted with specific reference to this section, the Secretary is authorized to waive any statutory provision applicable to the student financial assistance programs under section 401, subpart 3 of part A, or part C (other than a provision of part F related to such a program), or any institutional eligibility provisions of this title, as the Secretary determines necessary to ensure that programs enrolling students with intellectual disabilities otherwise determined to be eligible under this subsection may receive such financial assistance.

(4) REGULATIONS.—Notwithstanding regulations applicable to grant or work assistance awards made under section 401, subpart 3 of part A, and part C (other than a regulation under

part F related to such an award), including with respect to eligible programs, instructional time, credit status, and enrollment status as described in section 481, the Secretary shall promulgate regulations allowing programs enrolling students with intellectual disabilities otherwise determined to be eligible under this subsection to receive such awards.

[(t)] (s) DATA ANALYSIS ON ACCESS TO FEDERAL STUDENT AID FOR CERTAIN POPULATIONS.—

(1) **DEVELOPMENT OF THE SYSTEM.**—Within one year of enactment of the Higher Education Opportunity Act, the Secretary shall analyze data from the FAFSA containing information regarding the number, characteristics, and circumstances of students denied Federal student aid based on a drug conviction while receiving Federal aid.

(2) **RESULTS FROM ANALYSIS.**—The results from the analysis of such information shall be made available on a continuous basis via the Department website and the Digest of Education Statistics.

(3) **DATA UPDATING.**—The data analyzed under this subsection shall be updated at the beginning of each award year and at least one additional time during such award year.

(4) **REPORT TO CONGRESS.**—The Secretary shall prepare and submit to the authorizing committees, in each fiscal year, a report describing the results obtained by the establishment and operation of the data system authorized by this subsection.

SEC. 484A. STATUTE OF LIMITATIONS, AND STATE COURT JUDGMENTS.

(a) **IN GENERAL.**—(1) It is the purpose of this subsection to ensure that obligations to repay loans and grant overpayments are enforced without regard to any Federal or State statutory, regulatory, or administrative limitation on the period within which debts may be enforced.

(2) Notwithstanding any other provision of statute, regulation, or administrative limitation, no limitation shall terminate the period within which suit may be filed, a judgment may be enforced, or an offset, garnishment, or other action initiated or taken by—

(A) an institution that receives funds under this title that is seeking to collect a refund due from a student on a grant made, or work assistance awarded, under this title;

(B) a guaranty agency that has an agreement with the Secretary under section 428(c) that is seeking the repayment of the amount due from a borrower on a loan made under part B of this title after such guaranty agency reimburses the previous holder of the loan for its loss on account of the default of the borrower;

(C) an institution that has an agreement with the Secretary pursuant to section 453 **[or 463(a)]**, *section 463(a) (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act)*, or section 463 (as in effect on or after the date of enactment of the PROSPER Act) that is seeking the repayment of the amount due from a borrower on a loan made under part D **[or E]**, *E (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act)*, or *E (as in effect on or*

after the date of enactment of the PROSPER Act) of this title after the default of the borrower on such loan; or

(D) the Secretary, the Attorney General, or the administrative head of another Federal agency, as the case may be, for payment of a refund due from a student on a grant made under this title, or for the repayment of the amount due from a borrower on a loan made under this title that has been assigned to the Secretary under this title.

(b) **ASSESSMENT OF COSTS AND OTHER CHARGES.**—Notwithstanding any provision of State law to the contrary—

(1) a borrower who has defaulted on a loan made under this title shall be required to pay, in addition to other charges specified in this title, reasonable collection costs;

(2) in collecting any obligation arising from a loan made under part B of this title, a guaranty agency or the Secretary shall not be subject to a defense raised by any borrower based on a claim of infancy; **[and]**

(3) in collecting any obligation arising from a loan made under part E *(as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act)*, an institution of higher education that has an agreement with the Secretary pursuant to section 463(a) *(as so in effect)* shall not be subject to a defense raised by any borrower based on a claim of infancy**[.]; and**

(4) *in collecting any obligation arising from a loan made under part E (as in effect on or after the date of enactment of the PROSPER Act), an institution of higher education that has an agreement with the Secretary pursuant to section 463(a) (as so in effect) shall not be subject to a defense raised by any borrower based on a claim of infancy.*

(c) **STATE COURT JUDGMENTS.**—A judgment of a State court for the recovery of money provided as grant, loan, or work assistance under this title that has been assigned or transferred to the Secretary under this title may be registered in any district court of the United States by filing a certified copy of the judgment and a copy of the assignment or transfer. A judgment so registered shall have the same force and effect, and may be enforced in the same manner, as a judgment of the district court of the district in which the judgment is registered.

(d) **SPECIAL RULE.**—This section shall not apply in the case of a student who is deceased, or to a deceased student's estate or the estate of such student's family. If a student is deceased, then the student's estate or the estate of the student's family shall not be required to repay any financial assistance under this title, including interest paid on the student's behalf, collection costs, or other charges specified in this title.

SEC. 484B. INSTITUTIONAL REFUNDS.

(a) **RETURN OF TITLE IV FUNDS.**—

(1) **IN GENERAL.**—**[If a recipient]**

(A) **CONSEQUENCE OF WITHDRAWAL.**—*If a recipient of assistance under this title withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the amount of grant or loan assistance (other than assistance received under part C) to be returned to the title IV programs is calculated ac-*

ording to paragraph (3) and returned in accordance with subsection (b).

(B) *SPECIAL RULE.*—For purposes of subparagraph (A), a student—

(i) *who is enrolled in a program offered in modules is not considered withdrawn if the change in the student's attendance constitutes a change in enrollment status within the payment period rather than a discontinuance of attendance within the payment period; and*

(ii) *is considered withdrawn if the student follows the institution's official withdrawal procedures or leaves without notifying the institution and has not returned before the end of the payment period.*

(2) *LEAVE OF ABSENCE.*—

(A) *LEAVE NOT TREATED AS WITHDRAWAL.*—In the case of a student who takes 1 or more leaves of absence from an institution for not more than a total of 180 days in any 12-month period, the institution may consider the student as not having withdrawn from the institution during the leave of absence, and not calculate the amount of grant and loan assistance provided under this title that is to be returned in accordance with this section if—

(i) the institution has a formal policy regarding leaves of absence;

(ii) the student followed the institution's policy in requesting a leave of absence; and

(iii) the institution approved the student's request in accordance with the institution's policy.

(B) *CONSEQUENCES OF FAILURE TO RETURN.*—If a student does not return to the institution at the expiration of an approved leave of absence that meets the requirements of subparagraph (A), the institution shall calculate the amount of grant and loan assistance provided under this title that is to be returned in accordance with this section based on the day the student withdrew (as determined under subsection (c)).

(3) *CALCULATION OF AMOUNT OF TITLE IV ASSISTANCE EARNED.*—

(A) *IN GENERAL.*—The amount of grant or loan assistance under this title that is earned by the recipient for purposes of this section is calculated by—

(i) determining the percentage of grant and loan assistance under this title that has been earned by the student, as described in subparagraph (B); and

(ii) applying such percentage to the total amount of such grant and loan assistance that was disbursed (and that could have been disbursed) to the student, or on the student's behalf, for the payment period or period of enrollment for which the assistance was awarded, as of the day the student withdrew.

(B) *PERCENTAGE EARNED.*—For purposes of subparagraph (A)(i), the percentage of grant or loan assistance under this title that has been earned by the student is—

[(i) equal to the percentage of the payment period or period of enrollment for which assistance was awarded that was completed (as determined in accordance with subsection (d)) as of the day the student withdrew, provided that such date occurs on or before the completion of 60 percent of the payment period or period of enrollment; or

[(ii) 100 percent, if the day the student withdrew occurs after the student has completed (as determined in accordance with subsection (d)) 60 percent of the payment period or period of enrollment.]

(i) 0 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 0 to 24 percent of the payment period or period of enrollment;

(ii) 25 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 25 to 49 percent of the payment period or period of enrollment;

(iii) 50 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 50 to 74 percent of the payment period or period of enrollment; or

(iv) 75 percent, if the day the student withdrew occurs when the student has completed (as determined in accordance with subsection (d)) 75 to 99 percent of the payment period or period of enrollment.

(C) PERCENTAGE AND AMOUNT NOT EARNED.—For purposes of subsection (b), the amount of grant and loan assistance awarded under this title that has not been earned by the student shall be calculated by—

(i) determining the complement of the percentage of grant assistance under [subparts 1 and 3 of part A, or loan assistance under parts B, D,] *subpart 1 of part A or loan assistance under parts D and E*, that has been earned by the student described in subparagraph (B); and

(ii) applying the percentage determined under clause (i) to the total amount of such grant and loan assistance that was disbursed (and that could have been disbursed) to the student, or on the student's behalf, for the payment period or period of enrollment, as of the day the student withdrew.

(4) DIFFERENCES BETWEEN AMOUNTS EARNED AND AMOUNTS RECEIVED.—

(A) IN GENERAL.—After determining the eligibility of the student for a late disbursement or post-withdrawal disbursement (as required in regulations prescribed by the [Secretary), the institution of higher education shall contact the borrower] *Secretary*), *the institution of higher education shall have discretion to determine whether all or a portion of the late or post-withdrawal disbursement should be made, under a publicized institutional policy. If the institution of higher education determines that a disbursement should be made, the institution shall contact the bor-*

rower and obtain confirmation that the loan funds are still required by the borrower. In making such contact, the institution shall explain to the borrower the borrower's obligation to repay the funds following any such disbursement. The institution shall document in the borrower's file the result of such contact and the final determination made concerning such disbursement.

(B) RETURN.—If the student has received more grant or loan assistance than the amount earned as calculated under paragraph (3)(A), the unearned funds shall be returned by the [institution or the student, or both, as may be required under paragraphs (1) and (2) of subsection (b), to the programs under this title in the order specified in] *institution, as may be required under paragraph (1) of subsection (b), to the programs under this title in accordance with subsection (b)(3).*

[(b) RETURN OF TITLE IV PROGRAM FUNDS.—

[(1) RESPONSIBILITY OF THE INSTITUTION.—The institution shall return not later than 45 days from the determination of withdrawal, in the order specified in paragraph (3), the lesser of—

[(A) the amount of grant and loan assistance awarded under this title that has not been earned by the student, as calculated under subsection (a)(3)(C); or

[(B) an amount equal to—

[(i) the total institutional charges incurred by the student for the payment period or period of enrollment for which such assistance was awarded; multiplied by

[(ii) the percentage of grant and loan assistance awarded under this title that has not been earned by the student, as described in subsection (a)(3)(C)(i).

[(2) RESPONSIBILITY OF THE STUDENT.—

[(A) IN GENERAL.—The student shall return assistance that has not been earned by the student as described in subsection (a)(3)(C)(ii) in the order specified in paragraph (3) minus the amount the institution is required to return under paragraph (1).

[(B) SPECIAL RULE.—The student (or parent in the case of funds due to a loan borrowed by a parent under part B or D) shall return or repay, as appropriate, the amount determined under subparagraph (A) to—

[(i) a loan program under this title in accordance with the terms of the loan; and

[(ii) a grant program under this title, as an overpayment of such grant and shall be subject to—

[(I) repayment arrangements satisfactory to the institution; or

[(II) overpayment collection procedures prescribed by the Secretary.

[(C) GRANT OVERPAYMENT REQUIREMENTS.—

[(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), a student shall only be required to return grant assistance in the amount (if any) by which—

[(I) the amount to be returned by the student (as determined under subparagraphs (A) and (B)), exceeds

[(II) 50 percent of the total grant assistance received by the student under this title for the payment period or period of enrollment.

[(ii) MINIMUM.—A student shall not be required to return amounts of \$50 or less.

[(D) WAIVERS OF FEDERAL PELL GRANT REPAYMENT BY STUDENTS AFFECTED BY DISASTERS.—The Secretary may waive the amounts that students are required to return under this section with respect to Federal Pell Grants if the withdrawals on which the returns are based are withdrawals by students—

[(i) who were residing in, employed in, or attending an institution of higher education that is located in an area in which the President has declared that a major disaster exists, in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170);

[(ii) whose attendance was interrupted because of the impact of the disaster on the student or the institution; and

[(iii) whose withdrawal ended within the academic year during which the designation occurred or during the next succeeding academic year.

[(E) WAIVERS OF GRANT ASSISTANCE REPAYMENT BY STUDENTS AFFECTED BY DISASTERS.—In addition to the waivers authorized by subparagraph (D), the Secretary may waive the amounts that students are required to return under this section with respect to any other grant assistance under this title if the withdrawals on which the returns are based are withdrawals by students—

[(i) who were residing in, employed in, or attending an institution of higher education that is located in an area in which the President has declared that a major disaster exists, in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170);

[(ii) whose attendance was interrupted because of the impact of the disaster on the student or the institution; and

[(iii) whose withdrawal ended within the academic year during which the designation occurred or during the next succeeding academic year.

[(3) ORDER OF RETURN OF TITLE IV FUNDS.—

[(A) IN GENERAL.—Excess funds returned by the institution or the student, as appropriate, in accordance with paragraph (1) or (2), respectively, shall be credited to outstanding balances on loans made under this title to the student or on behalf of the student for the payment period or period of enrollment for which a return of funds is required. Such excess funds shall be credited in the following order:

[(i) To outstanding balances on loans made under section 428H for the payment period or period of enrollment for which a return of funds is required.

[(ii) To outstanding balances on loans made under section 428 for the payment period or period of enrollment for which a return of funds is required.

[(iii) To outstanding balances on unsubsidized loans (other than parent loans) made under part D for the payment period or period of enrollment for which a return of funds is required.

[(iv) To outstanding balances on subsidized loans made under part D for the payment period or period of enrollment for which a return of funds is required.

[(v) To outstanding balances on loans made under part E for the payment period or period of enrollment for which a return of funds is required.

[(vi) To outstanding balances on loans made under section 428B for the payment period or period of enrollment for which a return of funds is required.

[(vii) To outstanding balances on parent loans made under part D for the payment period or period of enrollment for which a return of funds is required.

[(B) REMAINING EXCESSES.—If excess funds remain after repaying all outstanding loan amounts, the remaining excess shall be credited in the following order:

[(i) To awards under subpart 1 of part A for the payment period or period of enrollment for which a return of funds is required.

[(ii) To awards under subpart 3 of part A for the payment period or period of enrollment for which a return of funds is required.

[(iii) To other assistance awarded under this title for which a return of funds is required.

[(c) WITHDRAWAL DATE.—

[(1) IN GENERAL.—In this section, the term “day the student withdrew”—

[(A) is the date that the institution determines—

[(i) the student began the withdrawal process prescribed by the institution;

[(ii) the student otherwise provided official notification to the institution of the intent to withdraw; or

[(iii) in the case of a student who does not begin the withdrawal process or otherwise notify the institution of the intent to withdraw, the date that is the midpoint of the payment period for which assistance under this title was disbursed or a later date documented by the institution; or

[(B) for institutions required to take attendance, is determined by the institution from such attendance records.

[(2) SPECIAL RULE.—Notwithstanding paragraph (1), if the institution determines that a student did not begin the withdrawal process, or otherwise notify the institution of the intent to withdraw, due to illness, accident, grievous personal loss, or other such circumstances beyond the student’s control, the institution may determine the appropriate withdrawal date.

[(d) PERCENTAGE OF THE PAYMENT PERIOD OR PERIOD OF ENROLLMENT COMPLETED.—For purposes of subsection (a)(3)(B), the percentage of the payment period or period of enrollment for which assistance was awarded that was completed, is determined—

[(1) in the case of a program that is measured in credit hours, by dividing the total number of calendar days comprising the payment period or period of enrollment for which assistance is awarded into the number of calendar days completed in that period as of the day the student withdrew; and

[(2) in the case of a program that is measured in clock hours, by dividing the total number of clock hours comprising the payment period or period of enrollment for which assistance is awarded into the number of clock hours scheduled to be completed by the student in that period as of the day the student withdrew.

[(e) EFFECTIVE DATE.—The provisions of this section shall take effect 2 years after the date of enactment of the Higher Education Amendments of 1998. An institution of higher education may choose to implement such provisions prior to that date.]

(b) RETURN OF TITLE IV PROGRAM FUNDS.—

(1) RESPONSIBILITY OF THE INSTITUTION.—*The institution shall return not later than 60 days from the determination of withdrawal, in accordance with paragraph (3), the amount of grant and loan assistance awarded under this title that has not been earned by the student, as calculated under subsection (a)(3)(C).*

(2) RESPONSIBILITY OF THE STUDENT.—

(A) IN GENERAL.—*The student is not responsible to return assistance that has not been earned, except that the institution may require the student to pay to the institution up to 10 percent of the amount owed by the institution in paragraph (1).*

(B) RULE OF CONSTRUCTION.—*Nothing in this section shall be construed to prevent an institution from enforcing the published institutional refund policies of such institution.*

(3) ORDER OF RETURN OF TITLE IV FUNDS.—

(A) IN GENERAL.—*Excess funds returned by the institution in accordance with paragraph (1) shall be credited to awards under subpart 1 of part A for the payment period or period of enrollment for which a return of funds is required.*

(B) REMAINING EXCESSES.—*If excess funds remain after repaying all outstanding grant amounts, the remaining excess shall be credited in the following order:*

(i) *To outstanding balances on loans made under this title to the student or on behalf of the student for the payment period or period of enrollment for which a return of funds is required.*

(ii) *To other assistance awarded under this title for which a return of funds is required.*

(c) WITHDRAWAL DATE.—

(1) IN GENERAL.—*In this section, the term “day the student withdrew”—*

(A) for institutions not required to take attendance, is the date as determined by the institution that—

(i) the student began the withdrawal process prescribed and publicized by the institution, or a later date if the student continued attendance despite beginning the withdrawal process, but did not then complete the payment period; or

(ii) in the case of a student who does not begin the withdrawal process, the date that is the mid-point of the payment period for which assistance under this title was disbursed or another date documented by the institution; or

(B) for institutions required to take attendance, is determined by the institution from such attendance records.

(2) *SPECIAL RULE.*—Notwithstanding paragraph (1), if the institution determines that a student did not begin the withdrawal process, due to illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the institution may determine the appropriate withdrawal date under its own defined policies.

(3) *ATTENDANCE.*—An institution is required to take attendance if an institution's accrediting agency or State licensing agency has a requirement that the institution take attendance for all students in an academic program throughout the entire payment period.

* * * * *

SEC. 485. INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS.

(a) *INFORMATION DISSEMINATION ACTIVITIES.*—(1) Each eligible institution participating in any program under this title shall carry out information dissemination activities for prospective and enrolled students (including those attending or planning to attend less than full time) regarding the institution and all financial assistance under this title. **【**The information required by this section shall be produced and be made readily available upon request, through appropriate publications, mailings, and electronic media, to an enrolled student and to any prospective student. Each eligible institution shall, on an annual basis, provide to all enrolled students a list of the information that is required to be provided by institutions to students by this section and section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”), together with a statement of the procedures required to obtain such information.**】** *The information required by this section shall be produced and be made readily available to enrolled and prospective students on the institution's website (or in other formats upon request).* The information required by this section shall accurately describe—

(A) the student financial assistance programs available to students who enroll at such institution;

(B) the methods by which such assistance is distributed among student recipients who enroll at such institution;

(C) any means, including forms, by which application for student financial assistance is made and requirements for accurately preparing such application;

(D) the rights and responsibilities of students receiving financial assistance under this title;

(E) the cost of attending the institution, including (i) tuition and fees, (ii) books and supplies, (iii) estimates of typical student room and board costs or typical commuting costs, and (iv) any additional cost of the program in which the student is enrolled or expresses a specific interest;

(F) a statement of—

(i) the requirements of any refund policy with which the institution is required to comply;

(ii) the requirements under section 484B for the return of grant or loan assistance provided under this title; and

(iii) the requirements for officially withdrawing from the institution;

(G) the academic program of the institution, including (i) the current degree programs and other educational and training programs, (ii) the instructional, laboratory, and other physical plant facilities which relate to the academic program, (iii) the faculty and other instructional personnel, and (iv) any plans by the institution for improving the academic program of the institution;

(H) each person designated under subsection (c) of this section, and the methods by which and locations in which any person so designated may be contacted by students and prospective students who are seeking information required by this subsection;

(I) special facilities and services available to students with disabilities;

(J) the names of associations, agencies, or governmental bodies which accredit, approve, or license the institution and its programs, and the procedures under which any current or prospective student may obtain or review upon request a copy of the documents describing the institution's accreditation, approval, or licensing;

(K) the standards which the student must maintain in order to be considered to be making satisfactory progress, pursuant to section 484(a)(2);

[(L) the completion or graduation rate of certificate- or degree-seeking, full-time, undergraduate students entering such institutions;]

[(M)(L) the terms and conditions of the loans that students receive under parts B, D, and E;

[(N)] (M) that enrollment in a program of study abroad approved for credit by the home institution may be considered enrollment in the home institution for purposes of applying for Federal student financial assistance;

[(O)] (N) the campus crime report prepared by the institution pursuant to subsection (f), including all required reporting categories;

[(P)] (O) institutional policies and sanctions related to copyright infringement[, including—]

[(i) an annual disclosure that explicitly informs students that unauthorized distribution of copyrighted material, including unauthorized peer-to-peer file

sharing, may subject the students to civil and criminal liabilities;

[(ii) a summary of the penalties for violation of Federal copyright laws; and

[(iii) a description of the institution's policies with respect to unauthorized peer-to-peer file sharing, including disciplinary actions that are taken against students who engage in unauthorized distribution of copyrighted materials using the institution's information technology system;].

[(Q) student body diversity at the institution, including information on the percentage of enrolled, full-time students who—

[(i) are male;

[(ii) are female;

[(iii) receive a Federal Pell Grant; and

[(iv) are a self-identified member of a major racial or ethnic group;

[(R) the placement in employment of, and types of employment obtained by, graduates of the institution's degree or certificate programs, gathered from such sources as alumni surveys, student satisfaction surveys, the National Survey of Student Engagement, the Community College Survey of Student Engagement, State data systems, or other relevant sources;

[(S) the types of graduate and professional education in which graduates of the institution's four-year degree programs enrolled, gathered from such sources as alumni surveys, student satisfaction surveys, the National Survey of Student Engagement, State data systems, or other relevant sources;

[(T) the fire safety report prepared by the institution pursuant to subsection (i);

[(U) the retention rate of certificate- or degree-seeking, first-time, full-time, undergraduate students entering such institution; and

[(V) institutional policies regarding vaccinations.]

(P) the fire safety report prepared by the institution pursuant to subsection (i); and

(Q) the link to the institution's information on the College Dashboard website operated under section 132.

(2) For the purpose of this section, the term "prospective student" means any individual who has contacted an eligible institution requesting information concerning admission to that institution.

[(3) In calculating the completion or graduation rate under subparagraph (L) of paragraph (1) of this subsection or under subsection (e), a student shall be counted as a completion or graduation if, within 150 percent of the normal time for completion or graduation from the program, the student has completed or graduated from the program, or enrolled in any program of an eligible institution for which the prior program provides substantial preparation. The information required to be disclosed under such subparagraph—

[(A) shall be made available by July 1 each year to enrolled students and prospective students prior to the students enrolling or entering into any financial obligation; and

[(B) shall cover the one-year period ending on August 31 of the preceding year.

[(4) For purposes of this section, institutions may—

[(A) exclude from the information disclosed in accordance with subparagraph (L) of paragraph (1) the completion or graduation rates of students who leave school to serve in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government; or

[(B) in cases where the students described in subparagraph (A) represent 20 percent or more of the certificate- or degree-seeking, full-time, undergraduate students at the institution, recalculate the completion or graduation rates of such students by excluding from the calculation described in paragraph (3) the time period during which such students were not enrolled due to their service in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government.

[(5) The Secretary shall permit any institution of higher education that is a member of an athletic association or athletic conference that has voluntarily published completion or graduation rate data or has agreed to publish data that, in the opinion of the Secretary, is substantially comparable to the information required under this subsection, to use such data to satisfy the requirements of this subsection; and

[(6) Each institution may provide supplemental information to enrolled and prospective students showing the completion or graduation rate for students described in paragraph (4) or for students transferring into the institution or information showing the rate at which students transfer out of the institution.

[(7)(A)(i) Subject to clause (ii), the information disseminated under paragraph (1)(L), or reported under subsection (e), shall be disaggregated by gender, by each major racial and ethnic subgroup, by recipients of a Federal Pell Grant, by recipients of a loan made under part B or D (other than a loan made under section 428H or a Federal Direct Unsubsidized Stafford Loan) who did not receive a Federal Pell Grant, and by recipients of neither a Federal Pell Grant nor a loan made under part B or D (other than a loan made under section 428H or a Federal Direct Unsubsidized Stafford Loan), if the number of students in such subgroup or with such status is sufficient to yield statistically reliable information and reporting will not reveal personally identifiable information about an individual student. If such number is not sufficient for such purposes, then the institution shall note that the institution enrolled too few of such students to so disclose or report with confidence and confidentiality.

[(ii) The requirements of clause (i) shall not apply to two-year, degree-granting institutions of higher education until academic year 2011-2012.

[(B)(i) In order to assist two-year degree-granting institutions of higher education in meeting the requirements of para-

graph (1)(L) and subsection (e), the Secretary, in consultation with the Commissioner for Education Statistics, shall, not later than 90 days after the date of enactment of the Higher Education Opportunity Act, convene a group of representatives from diverse institutions of higher education, experts in the field of higher education policy, state higher education officials, students, and other stakeholders in the higher education community, to develop recommendations regarding the accurate calculation and reporting of the information required to be disseminated or reported under paragraph (1)(L) and subsection (e) by two-year, degree-granting institutions of higher education. In developing such recommendations, the group of representatives shall consider the mission and role of two-year degree-granting institutions of higher education, and may recommend additional or alternative measures of student success for such institutions in light of the mission and role of such institutions.

[(ii) The Secretary shall widely disseminate the recommendations required under this subparagraph to two-year, degree-granting institutions of higher education, the public, and the authorizing committees not later than 18 months after the first meeting of the group of representatives convened under clause (i).

[(iii) The Secretary shall use the recommendations from the group of representatives convened under clause (i) to provide technical assistance to two-year, degree-granting institutions of higher education in meeting the requirements of paragraph (1)(L) and subsection (e).

[(iv) The Secretary may modify the information required to be disseminated or reported under paragraph (1)(L) or subsection (e) by a two-year, degree-granting institution of higher education—

[(I) based on the recommendations received under this subparagraph from the group of representatives convened under clause (i);

[(II) to include additional or alternative measures of student success if the goals of the provisions of paragraph (1)(L) and subsection (e) can be met through additional means or comparable alternatives; and

[(III) during the period beginning on the date of enactment of the Higher Education Opportunity Act, and ending on June 30, 2011.]

(b) EXIT COUNSELING FOR BORROWERS.—(1)(A) Each eligible institution shall, [through financial aid offices or otherwise] *through the use of an interactive program, during an exit counseling session that is in-person or online, or through the use of the online counseling tool described in subsection (n)(1)(A),* provide counseling to borrowers of loans that are made, insured, or guaranteed under part B (other than loans made pursuant to section 428C or loans under section 428B made on behalf of a student) or made under part D (other than Federal Direct Consolidation Loans or Federal Direct PLUS Loans made on behalf of a student) or made under part E, *as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a) of such Act or made under part E (other than Federal ONE Parent Loans), as in effect*

on or after the date of enactment of the PROSPER Act of this title prior to the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution. The counseling required by this subsection shall include—

- (i) a summary of the outstanding balance of principal and interest due on the loans made to the borrower under this title;
- (ii) an explanation of the grace period preceding repayment and the expected date that the borrower will enter repayment;
- (iii) an explanation of cases of interest capitalization and that the borrower has the option to pay any interest that has accrued while the borrower was in school or that may accrue during the grace period preceding repayment or during an authorized period of deferment or forbearance, prior to the capitalization of the interest;

[(i)] (iv) information on the repayment plans available, including a description of the different features [of each plan] of at least the standard repayment plan and the income-based repayment plan under section 466(d) and [sample information showing the average] information, based on the borrower's outstanding balance described in clause (i), showing the borrower's anticipated monthly payments, and the difference in interest paid and total payments, under each plan;

[(ii)] (v) debt management strategies that are designed to facilitate the repayment of such indebtedness;

[(iii)] (vi) an explanation that the borrower has the options to prepay each loan, pay each loan on a shorter schedule, and change repayment plans;

[(iv)] (vii) for any loan forgiveness or cancellation provision of this title, a general description of the terms and conditions under which the borrower may obtain full or partial forgiveness or cancellation of the principal and interest, and a copy of the information provided by the Secretary under section 485(d);

[(v)] (viii) for any forbearance provision of this title, a general description of the terms and conditions under which the borrower may defer repayment of principal or interest or be granted forbearance, and a copy of the information provided by the Secretary under section 485(d);

[(vi)] (ix) the consequences of defaulting on a loan, including adverse credit reports, *decreased credit score*, delinquent debt collection procedures under Federal law, *potential reduced ability to rent or purchase a home or car*, *potential difficulty in securing employment*, and litigation;

[(vii)] (x) information on the effects of using a [consolidation loan under section 428C or a] Federal Direct Consolidation Loan to discharge the borrower's loans under parts B, D, and E, including at a minimum—

(I) the effects of consolidation on total interest to be paid, fees to be paid, and length of repayment;

(II) the effects of consolidation on a borrower's underlying loan benefits, including grace periods, loan forgiveness, cancellation, and deferment opportunities;

(III) the option of the borrower to prepay the loan or to change repayment plans; and

(IV) that borrower benefit programs may vary among different lenders;

[(viii)] *(xi)* a general description of the types of tax benefits that may be available to borrowers; **[and]**

[(ix)] *(xii)* a notice to borrowers about the availability of the National Student Loan Data System and how the system can be used by a borrower to obtain information on the status of the borrower's loans; **[and]**

(xiii) for each of the borrower's loans made under this title for which the borrower is receiving counseling under this subsection, the contact information for the servicer of the loan and a link to the Website of such servicer; and

(xiv) an explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).

(B) In the case of borrower who leaves an institution without the prior knowledge of the institution, the institution shall attempt to provide the information described in subparagraph (A) to the student *online* or in writing, *except that in the case of an institution using the online counseling tool described in subsection (n)(1)(A), the Secretary shall attempt to provide such information to the student in the manner described in subsection (n)(3)(C).*

(2)(A) Each eligible institution shall require that the borrower of a loan made under part B, D, or E submit to the institution, during the exit interview required by this subsection—

(i) the borrower's expected permanent address after leaving the institution (regardless of the reason for leaving);

(ii) the name and address of the borrower's expected employer after leaving the institution;

(iii) the address of the borrower's next of kin; and

(iv) any corrections in the institution's records relating the borrower's name, address, social security number, references, and driver's license number.

(B) The institution shall, within 60 days after the interview, forward any corrected or completed information received from the borrower to the guaranty agency indicated on the borrower's student aid records.

(C) Nothing in this subsection shall be construed to prohibit an institution of higher education from utilizing electronic means, *such as the online counseling tool described in subsection (n)(1)(A),* to provide personalized exit counseling.

(c) FINANCIAL ASSISTANCE INFORMATION PERSONNEL.—Each eligible institution shall designate an employee or group of employees who shall be available on a full-time basis to assist students or potential students in obtaining information as specified in subsection (a). The Secretary may, by regulation, waive the requirement that an employee or employees be available on a full-time basis for carrying out responsibilities required under this section whenever an institution in which the total enrollment, or the portion of the enrollment participating in programs under this title at that institution, is too small to necessitate such employee or employees being available on a full-time basis. No such waiver may include permission to exempt any such institution from designating a specific in-

dividual or a group of individuals to carry out the provisions of this section.

(d) DEPARTMENTAL PUBLICATION OF DESCRIPTIONS OF ASSISTANCE PROGRAMS.—(1) The Secretary shall make available to eligible institutions, eligible lenders, and secondary schools descriptions of Federal student assistance programs including the rights and responsibilities of student and institutional participants, in order to (A) assist students in gaining information through institutional sources, and (B) assist institutions in carrying out the provisions of this section, so that individual and institutional participants will be fully aware of their rights and responsibilities under such programs. In particular, such information shall include information to enable students and prospective students to assess the debt burden and monthly and total repayment obligations that will be incurred as a result of receiving loans of varying amounts under this title. Such information shall also include information on the various payment options available for student loans, including income-sensitive and income-based repayment plans for loans made, insured, or guaranteed under part B and income-contingent and income-based repayment plans for loans made under **[part D]** *part D or E*. In addition, such information shall include information to enable borrowers to assess the practical consequences of loan consolidation, including differences in deferment eligibility, interest rates, monthly payments, and finance charges, and samples of loan consolidation profiles to illustrate such consequences. The Secretary shall provide information concerning the specific terms and conditions under which students may obtain partial or total cancellation or defer repayment of loans for service, shall indicate (in terms of the Federal minimum wage) the maximum level of compensation and allowances that a student borrower may receive from a tax-exempt organization to qualify for a deferment, and shall explicitly state that students may qualify for such partial cancellations or deferments when they serve as a paid employee of a tax-exempt organization. The Secretary shall also provide information on loan forbearance, including the increase in debt that results from capitalization of interest. Such information shall be provided by eligible institutions and eligible lenders at any time that information regarding loan availability is provided to any student.

(2) The Secretary, to the extent the information is available, shall compile information describing State and other prepaid tuition programs and savings programs and disseminate such information to States, eligible institutions, students, and parents in departmental publications.

(3) The Secretary, to the extent practicable, shall update the Department's Internet site to include direct links to databases that contain information on public and private financial assistance programs. The Secretary shall only provide direct links to databases that can be accessed without charge and shall make reasonable efforts to verify that the databases included in a direct link are not providing fraudulent information. The Secretary shall prominently display adjacent to any such direct link a disclaimer indicating that a direct link to a database does not constitute an endorsement or recommendation of the database, the provider of the database, or any services or products of such provider. The Secretary shall provide additional direct links to information resources from which

students may obtain information about fraudulent and deceptive practices in the provision of services related to student financial aid.

(4) The Secretary shall widely publicize the location of the information described in paragraph (1) among the public, eligible institutions, and eligible lenders, and promote the use of such information by prospective students, enrolled students, families of prospective and enrolled students, and borrowers.

(e) DISCLOSURES REQUIRED WITH RESPECT TO ATHLETICALLY RELATED STUDENT AID.—(1) Each institution of higher education which participates in any program under this title and is attended by students receiving athletically related student aid shall annually submit a report to the Secretary which contains—

(A) the number of students at the institution of higher education who received athletically related student aid broken down by race and sex in the following sports: basketball, football, baseball, cross country/track, and all other sports combined;

(B) the number of students at the institution of higher education, broken down by race and sex;

(C) the completion or graduation rate for students at the institution of higher education who received athletically related student aid broken down by race and sex in the following sports: basketball, football, baseball, cross country/track and all other sports combined;

(D) the completion or graduation rate for students at the institution of higher education, broken down by race and sex;

(E) the average completion or graduation rate for the 4 most recent completing or graduating classes of students at the institution of higher education who received athletically related student aid broken down by race and sex in the following categories: basketball, football, baseball, cross country/track, and all other sports combined; and

(F) the average completion or graduation rate for the 4 most recent completing or graduating classes of students at the institution of higher education broken down by race and sex.

(2) When an institution described in paragraph (1) of this subsection offers a potential student athlete athletically related student aid, such institution shall provide to the student and the student's parents, guidance counselor, and coach the information contained in the report submitted by such institution pursuant to paragraph (1). If the institution is a member of a national collegiate athletic association that compiles graduation rate data on behalf of the association's member institutions that the Secretary determines is substantially comparable to the information described in paragraph (1), the distribution of the compilation of such data to all secondary schools in the United States shall fulfill the responsibility of the institution to provide information to a prospective student athlete's guidance counselor and coach.

(3) For purposes of this subsection, institutions may—

(A) exclude from the reporting requirements under paragraphs (1) and (2) the completion or graduation rates of students and student athletes who leave school to serve in the Armed Forces, on official church missions, or with a

recognized foreign aid service of the Federal Government;
or

(B) in cases where the students described in subparagraph (A) represent 20 percent or more of the certificate- or degree-seeking, full-time, undergraduate students at the institution, calculate the completion or graduation rates of such students by excluding from the calculations described in paragraph (1) the time period during which such students were not enrolled due to their service in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government.

(4) Each institution of higher education described in paragraph (1) may provide supplemental information to students and the Secretary showing the completion or graduation rate when such completion or graduation rate includes students transferring into and out of such institution.

(5) The Secretary, using the reports submitted under this subsection, shall compile and publish a report containing the information required under paragraph (1) broken down by—

(A) individual institutions of higher education; and

(B) athletic conferences recognized by the National Collegiate Athletic Association and the National Association of Intercollegiate Athletics.

(6) The Secretary shall waive the requirements of this subsection for any institution of higher education that is a member of an athletic association or athletic conference that has voluntarily published completion or graduation rate data or has agreed to publish data that, in the opinion of the Secretary, is substantially comparable to the information required under this subsection.

(7) The Secretary, in conjunction with the National Junior College Athletic Association, shall develop and obtain data on completion or graduation rates from two-year colleges that award athletically related student aid. Such data shall, to the extent practicable, be consistent with the reporting requirements set forth in this section.

(8) For purposes of this subsection, the term “athletically related student aid” means any scholarship, grant, or other form of financial assistance the terms of which require the recipient to participate in a program of intercollegiate athletics at an institution of higher education in order to be eligible to receive such assistance.

(9) The reports required by this subsection shall be due each July 1 and shall cover the 1-year period ending August 31 of the preceding year.

(f) **DISCLOSURE OF CAMPUS SECURITY POLICY AND CAMPUS CRIME STATISTICS.**—(1) Each eligible institution participating in any program under this title, other than a foreign institution of higher education, shall on August 1, 1991, begin to collect the following information with respect to campus crime statistics and campus security policies of that institution, and beginning September 1, 1992, and each year thereafter, prepare, publish, and distribute, through appropriate publications or mailings, to all current students and employees, and to any applicant for enrollment or employment upon request, an annual security report containing at least the following information with respect to the campus security policies and campus crime statistics of that institution:

(A) A statement of current campus policies regarding procedures and facilities for students and others to report criminal actions or other emergencies occurring on campus and policies concerning the institution's response to such reports.

(B) A statement of current policies concerning security and access to campus facilities, including campus residences, and security considerations used in the maintenance of campus facilities.

(C) A statement of current policies concerning campus law enforcement, including—

(i) the law enforcement authority of campus security personnel;

(ii) the working relationship of campus security personnel with State and local law enforcement agencies, including whether the institution has agreements with such agencies, such as written memoranda of understanding, for the investigation of alleged criminal offenses; and

(iii) policies which encourage accurate and prompt reporting of all crimes to the campus police and the appropriate law enforcement agencies, when the victim of such crime elects or is unable to make such a report.

(D) A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others.

(E) A description of programs designed to inform students and employees about the prevention of crimes.

(F) Statistics concerning the occurrence on campus, in or on noncampus buildings or property, and on public property during the most recent calendar year, and during the 2 preceding calendar years for which data are available—

(i) of the following criminal offenses reported to campus security authorities or local police agencies:

(I) murder;

(II) sex offenses, forcible or nonforcible;

(III) robbery;

(IV) aggravated assault;

(V) burglary;

(VI) motor vehicle theft;

(VII) manslaughter;

(VIII) arson;

(IX) arrests or persons referred for campus disciplinary action for liquor law violations, drug-related violations, and weapons possession; and

(ii) of the crimes described in subclauses (I) through (VIII) of clause (i), of larceny-theft, simple assault, intimidation, and destruction, damage, or vandalism of property, and of other crimes involving bodily injury to any person, in which the victim is intentionally selected because of the actual or perceived race, gender, religion, national origin, sexual orientation, gender identity, ethnicity, or disability of the victim that are reported to campus security authorities or local police agencies, which data shall be collected and reported according to category of prejudice; and

(iii) of domestic violence, dating violence, and stalking incidents that were reported to campus security authorities or local police agencies.

(G) A statement of policy concerning the monitoring and recording through local police agencies of criminal activity at off-campus student organizations which are recognized by the institution and that are engaged in by students attending the institution, including those student organizations with off-campus housing facilities.

(H) A statement of policy regarding the possession, use, and sale of alcoholic beverages and enforcement of State underage drinking laws and a statement of policy regarding the possession, use, and sale of illegal drugs and enforcement of Federal and State drug laws and a description of any drug or alcohol abuse education programs as required under **[section 120]** *section 118* of this Act.

(I) A statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.

(J) A statement of current campus policies regarding immediate emergency response and evacuation procedures, including the use of electronic and cellular communication (if appropriate), which policies shall include procedures to—

(i) immediately notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health or safety of students or staff occurring on the campus, as defined in paragraph (6), unless issuing a notification will compromise efforts to contain the emergency;

(ii) publicize emergency response and evacuation procedures on an annual basis in a manner designed to reach students and staff; and

(iii) test emergency response and evacuation procedures on an annual basis.

(2) Nothing in this subsection shall be construed to authorize the Secretary to require particular policies, procedures, or practices by institutions of higher education with respect to campus crimes or campus security.

[(3) Each institution participating in any program under this title, other than a foreign institution of higher education, shall make timely reports to the campus community on crimes considered to be a threat to other students and employees described in paragraph (1)(F) that are reported to campus security or local law police agencies. Such reports shall be provided to students and employees in a manner that is timely, that withholds the names of victims as confidential, and that will aid in the prevention of similar occurrences.]

(3) Each institution participating in any program under this title, other than a foreign institution of higher education, shall

make timely reports to the campus community on crimes described in paragraph (1)(F) that have been reported to campus security officials and pose a serious and continuing threat to other students and employees' safety. Such reports shall withhold the names of victims as confidential and shall be provided in a timely manner, except that an institution may delay issuing a report if the issuance would compromise ongoing law enforcement efforts, such as efforts to apprehend a suspect. The report shall also include information designed to assist students and employees in staying safe and avoiding similar occurrences to the extent such information is available and appropriate to include. In assessing institutional compliance with this section, the Secretary shall defer to the institution's determination of whether a particular crime poses a serious and continuing threat to the campus community, and the timeliness of such warning, provided that, in making its decision, the institution acted reasonably and based on the considered professional judgement of campus security officials, based on the facts and circumstances known at the time.

(4)(A) Each institution participating in any program under this title, other than a foreign institution of higher education, that maintains a police or security department of any kind shall make, keep, and maintain a daily log, written in a form that can be easily understood, recording all crimes reported to such police or security department, including—

- (i) the nature, date, time, and general location of each crime; and
- (ii) the disposition of the complaint, if known.

(B)(i) All entries that are required pursuant to this paragraph shall, except where disclosure of such information is prohibited by law or such disclosure would jeopardize the confidentiality of the victim, be open to public inspection within two business days of the initial report being made to the department or a campus security authority.

(ii) If new information about an entry into a log becomes available to a police or security department, then the new information shall be recorded in the log not later than two business days after the information becomes available to the police or security department.

(iii) If there is clear and convincing evidence that the release of such information would jeopardize an ongoing criminal investigation or the safety of an individual, cause a suspect to flee or evade detection, or result in the destruction of evidence, such information may be withheld until that damage is no longer likely to occur from the release of such information.

(5) On an annual basis, each institution participating in any program under this title, other than a foreign institution of higher education, shall submit to the Secretary a copy of the statistics required to be made available under paragraph (1)(F). The Secretary shall—

- (A) review such statistics and report to the authorizing committees on campus crime statistics by September 1, 2000;
- (B) make copies of the statistics submitted to the Secretary available to the public; and

(C) in coordination with representatives of institutions of higher education, identify exemplary campus security policies, procedures, and practices and disseminate information concerning those policies, procedures, and practices that have proven effective in the reduction of campus crime.

(6)(A) In this subsection:

(i) The terms “dating violence”, “domestic violence”, and “stalking” have the meaning given such terms in section 40002(a) of the Violence Against Women Act of 1994 (42 U.S.C. 13925(a)).

(ii) The term “campus” means—

(I) any building or property owned or controlled by an institution of higher education within the same reasonably contiguous geographic area of the institution and used by the institution in direct support of, or in a manner related to, the institution’s educational purposes, including residence halls; and

(II) property within the same reasonably contiguous geographic area of the institution that is owned by the institution but controlled by another person, is used by students, and supports institutional purposes (such as a food or other retail vendor).

(iii) The term “noncampus building or property” means—

(I) any building or property owned or controlled by a student organization recognized by the institution; and

(II) any building or property (other than a branch campus) owned or controlled by an institution of higher education that is used in direct support of, or in relation to, the institution’s educational purposes, is used by students, and is not within the same reasonably contiguous geographic area of the institution.

(iv) The term “public property” means all public property that is within the same reasonably contiguous geographic area of the institution, such as a sidewalk, a street, other thoroughfare, or parking facility, and is adjacent to a facility owned or controlled by the institution if the facility is used by the institution in direct support of, or in a manner related to the institution’s educational purposes.

(v) The term “sexual assault” means an offense classified as a forcible or nonforcible sex offense under the uniform crime reporting system of the Federal Bureau of Investigation.

(B) In cases where branch campuses of an institution of higher education, schools within an institution of higher education, or administrative divisions within an institution are not within a reasonably contiguous geographic area, such entities shall be considered separate campuses for purposes of the reporting requirements of this section.

(7) The statistics described in clauses (i) and (ii) of paragraph (1)(F) shall be compiled in accordance with the definitions used in the uniform crime reporting system of the Department of Justice, Federal Bureau of Investigation, and the modifications in such definitions as implemented pursuant to the Hate Crime Statistics Act. For the offenses of domestic violence, dating violence, and stalking, such statistics shall be compiled in accordance with the definitions used in section 40002(a) of the Violence Against Women Act of

1994 (42 U.S.C. 13925(a)). Such statistics shall not identify victims of crimes or persons accused of crimes.

(8)(A) Each institution of higher education participating in any program under this title and title IV of the Economic Opportunity Act of 1964, other than a foreign institution of higher education, shall develop and distribute as part of the report described in paragraph (1) a statement of policy regarding—

(i) such institution's programs to prevent domestic violence, dating violence, sexual assault, and stalking; and

(ii) the procedures that such institution will follow once an incident of domestic violence, dating violence, sexual assault, or stalking has been reported, including a statement of the standard of evidence that will be used during any institutional conduct proceeding arising from such a report.

(B) The policy described in subparagraph (A) shall address the following areas:

(i) Education programs to promote the awareness of rape, acquaintance rape, domestic violence, dating violence, sexual assault, and stalking, which shall include—

(I) primary prevention and awareness programs for all incoming students and new employees, which shall include—

(aa) a statement that the institution of higher education prohibits the offenses of domestic violence, dating violence, sexual assault, and stalking;

(bb) the definition of domestic violence, dating violence, sexual assault, and stalking in the applicable jurisdiction;

(cc) the definition of consent, in reference to sexual activity, in the applicable jurisdiction;

(dd) safe and positive options for bystander intervention that may be carried out by an individual to prevent harm or intervene when there is a risk of domestic violence, dating violence, sexual assault, or stalking against a person other than such individual;

(ee) information on risk reduction to recognize warning signs of abusive behavior and how to avoid potential attacks; and

(ff) the information described in clauses (ii) through (vii); and

(II) ongoing prevention and awareness campaigns for students and faculty, including information described in items (aa) through (ff) of subclause (I).

(ii) Possible sanctions or protective measures that such institution may impose following a final determination of an institutional disciplinary procedure regarding rape, acquaintance rape, domestic violence, dating violence, sexual assault, or stalking.

(iii) Procedures victims should follow if a sex offense, domestic violence, dating violence, sexual assault, or stalking has occurred, including information in writing about—

(I) the importance of preserving evidence as may be necessary to the proof of criminal domestic violence, dating violence, sexual assault, or stalking, or in obtaining a protection order;

- (II) to whom the alleged offense should be reported;
 - (III) options regarding law enforcement and campus authorities, including notification of the victim's option to—
 - (aa) notify proper law enforcement authorities, including on-campus and local police;
 - (bb) be assisted by campus authorities in notifying law enforcement authorities if the victim so chooses; and
 - (cc) decline to notify such authorities; and
 - (IV) where applicable, the rights of victims and the institution's responsibilities regarding orders of protection, no contact orders, restraining orders, or similar lawful orders issued by a criminal, civil, or tribal court.
- (iv) Procedures for institutional disciplinary action in cases of alleged domestic violence, dating violence, sexual assault, or stalking, which shall include a clear statement that—
- [(I) such proceedings shall—
 - [(aa) provide a prompt, fair, and impartial investigation and resolution; and
 - [(bb) be conducted by officials who receive annual training on the issues related to domestic violence, dating violence, sexual assault, and stalking and how to conduct an investigation and hearing process that protects the safety of victims and promotes accountability;]
- (I) the investigation of the allegation and any institutional disciplinary proceeding in response to the allegation shall be prompt, impartial, and fair to both the accuser and the accused by, at a minimum—*
- (aa) providing all parties to the proceeding with adequate written notice of the allegation not later than 2 weeks prior to the start of any formal hearing or similar adjudicatory proceeding, and including in such notice a description of all rights and responsibilities under the proceeding, a statement of all relevant details of the allegation, and a specific statement of the sanctions which may be imposed;*
 - (bb) providing each person against whom the allegation is made with a meaningful opportunity to admit or contest the allegation;*
 - (cc) ensuring that all parties to the proceeding have access to all material evidence not later than one week prior to the start of any formal hearing or similar adjudicatory proceeding;*
 - (dd) ensuring that the proceeding is carried out free from conflicts of interest by ensuring that there is no commingling of administrative or adjudicative roles; and*
 - (ee) ensuring that the investigation and proceeding shall be conducted by officials who receive annual education on issues related to domestic violence, dating violence, sexual assault, and stalking, and on how to conduct an investigation and an institutional disciplinary proceeding that protects the*

safety of victims, ensures fairness for both the accuser and the accused, and promotes accountability;

(II) the accuser and the accused are entitled to the same opportunities to have others present during an institutional disciplinary proceeding, including the opportunity to be accompanied to any related meeting or proceeding by an advisor of their choice; **[and]**

(III) both the accuser and the accused shall be simultaneously informed, in writing, of—

(aa) the outcome of any institutional disciplinary proceeding that arises from an allegation of domestic violence, dating violence, sexual assault, or stalking;

(bb) the institution's procedures for the accused and the victim to appeal the results of the institutional disciplinary proceeding;

(cc) of any change to the results that occurs prior to the time that such results become final; and

(dd) when such results become final**[.]**; *and*

(IV) *in the case of a proceeding involving an allegation of sexual assault, such proceedings shall be conducted in accordance with the standard of evidence established by the institution under clause (viii), together with a clear statement describing such standard of evidence.*

(v) Information about how the institution will protect the confidentiality of victims, including how publicly-available recordkeeping will be accomplished without the inclusion of identifying information about the victim, to the extent permissible by law.

(vi) Written notification of students and employees about existing counseling, health, mental health, victim advocacy, legal assistance, and other services available for victims both on-campus and in the community.

(vii) Written notification of victims about options for, and available assistance in, changing academic, living, transportation, and working situations, if so requested by the victim and if such accommodations are reasonably available, regardless of whether the victim chooses to report the crime to campus police or local law enforcement.

(viii) *The establishment of a standard of evidence that will be used in institutional disciplinary proceedings involving allegations of sexual assault, which may be based on such standards and criteria as the institution considers appropriate (including the institution's culture, history, and mission, the values reflected in its student code of conduct, and the purpose of the institutional disciplinary proceedings) so long as the standard is not arbitrary or capricious and is applied consistently throughout all such proceedings.*

(C) A student or employee who reports to an institution of higher education that the student or employee has been a victim of domestic violence, dating violence, sexual assault, or stalking, whether the offense occurred on or off campus, shall be provided with a written explanation of the student or employee's rights and options, as described in clauses (ii) through (vii) of subparagraph (B).

(D) In consultation with experts from institutions of higher education, law enforcement agencies, advocates for sexual assault victims, experts in due process, and other appropriate persons, the Secretary shall create and regularly update modules which an institution of higher education may use to provide the annual education described in subparagraph (B)(iv)(I)(ee) for officials conducting investigations and institutional disciplinary proceedings involving allegations described in such subparagraph. If the institution uses such modules to provide the education described in such subparagraph, the institution shall be considered to meet any requirement under such subparagraph or any other Federal law regarding the education provided to officials conducting such investigations and proceedings.

(9) The Secretary, in consultation with the Attorney General of the United States, shall provide technical assistance in complying with the provisions of this section to an institution of higher education who requests such assistance.

(10) Nothing in this section shall be construed to require the reporting or disclosure of privileged information.

(11) The Secretary shall report to the appropriate committees of Congress each institution of higher education that the Secretary determines is not in compliance with the reporting requirements of this subsection.

(12) For purposes of reporting the statistics with respect to crimes described in paragraph (1)(F), an institution of higher education shall distinguish, by means of separate categories, any criminal offenses that occur—

- (A) on campus;
- (B) in or on a noncampus building or property;
- (C) on public property; and
- (D) in dormitories or other residential facilities for students on campus.

(13) Upon a determination pursuant to section 487(c)(3)(B) that an institution of higher education has substantially misrepresented the number, location, or nature of the crimes required to be reported under this subsection, the Secretary shall impose a civil penalty upon the institution in the same amount and pursuant to the same procedures as a civil penalty is imposed under section 487(c)(3)(B).

(14)(A) Nothing in this subsection may be construed to—

- (i) create a cause of action against any institution of higher education or any employee of such an institution for any civil liability; or
- (ii) establish any standard of care.

(B) Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with this subsection shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this subsection.

(15) The Secretary shall annually report to the authorizing committees regarding compliance with this subsection by institutions of higher education, including an up-to-date report on the Secretary's monitoring of such compliance.

(16)(A) The Secretary shall seek the advice and counsel of the Attorney General of the United States concerning the development,

and dissemination to institutions of higher education, of best practices information about campus safety and emergencies.

(B) The Secretary shall seek the advice and counsel of the Attorney General of the United States and the Secretary of Health and Human Services concerning the development, and dissemination to institutions of higher education, of best practices information about preventing and responding to incidents of domestic violence, dating violence, sexual assault, and stalking, including elements of institutional policies that have proven successful based on evidence-based outcome measurements.

(17) No officer, employee, or agent of an institution participating in any program under this title shall retaliate, intimidate, threaten, coerce, or otherwise discriminate against any individual for exercising their rights or responsibilities under any provision of this subsection.

(18) Nothing in this subsection may be construed to prohibit an institution of higher education from delaying the initiation of, or suspending, an investigation or institutional disciplinary proceeding involving an allegation of sexual assault in response to a request from a law enforcement agency or a prosecutor to delay the initiation of, or suspend, the investigation or proceeding, and any delay or suspension of such an investigation or proceeding in response to such a request may not serve as the grounds for any sanction or audit finding against the institution or for the suspension or termination of the institution's participation in any program under this title.

(19)(A) Reporting carried out under this subsection shall be conducted in a manner to ensure maximum consistency with the Uniform Crime Reporting Program of the Department of Justice.

(B) The Secretary shall require institutions of higher education to report crime statistics under this section using definitions of such crimes, when available, from the Uniform Crime Reporting Program of the Department of Justice.

(C) The Secretary shall maintain a publicly available and updated list of all applicable definitions from the Uniform Crime Reporting Program of the Department of Justice.

(D) With respect to a report under this subsection, in the case of a crime for which no Uniform Crime Reporting Program of the Department of Justice definition exists, the Secretary shall require that institutions of higher education report such crime according to a definition provided by the Secretary.

(E) An institution of higher education that reports a crime described in subparagraph (D) shall not be subject to any penalty or fine for reporting inaccuracies or omissions if the institution of higher education can demonstrate that it made a reasonable and good faith effort to report crimes consistent with the definition provided by the Secretary.

(F) With respect to a report under this subsection, the Secretary shall require institutions of higher education to follow the Hierarchy Rule for reporting crimes under the Uniform Crime Reporting Program of the Department of Justice, so as to minimize duplicate reporting and ensure greater consistency with national crime reporting systems.

[(18)] (20) This subsection may be cited as the “Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act”.

(g) DATA REQUIRED.—

(1) IN GENERAL.—Each coeducational institution of higher education that participates in any program under this title, and has an intercollegiate athletic program, shall annually, for the immediately preceding academic year, prepare a report that contains the following information regarding intercollegiate athletics:

(A) The number of male and female full-time undergraduates that attended the institution.

(B) A listing of the varsity teams that competed in intercollegiate athletic competition and for each such team the following data:

(i) The total number of participants, by team, as of the day of the first scheduled contest for the team.

(ii) Total operating expenses attributable to such teams, except that an institution may also report such expenses on a per capita basis for each team and expenditures attributable to closely related teams such as track and field or swimming and diving, may be reported together, although such combinations shall be reported separately for men’s and women’s teams.

(iii) Whether the head coach is male or female and whether the head coach is assigned to that team on a full-time or part-time basis. Graduate assistants and volunteers who serve as head coaches shall be considered to be head coaches for the purposes of this clause.

(iv) The number of assistant coaches who are male and the number of assistant coaches who are female for each team and whether a particular coach is assigned to that team on a full-time or part-time basis. Graduate assistants and volunteers who serve as assistant coaches shall be considered to be assistant coaches for the purposes of this clause.

(C) The total amount of money spent on athletically related student aid, including the value of waivers of educational expenses, separately for men’s and women’s teams overall.

(D) The ratio of athletically related student aid awarded male athletes to athletically related student aid awarded female athletes.

(E) The total amount of expenditures on recruiting, separately for men’s and women’s teams overall.

(F) The total annual revenues generated across all men’s teams and across all women’s teams, except that an institution may also report such revenues by individual team.

(G) The average annual institutional salary of the head coaches of men’s teams, across all offered sports, and the average annual institutional salary of the head coaches of women’s teams, across all offered sports.

(H) The average annual institutional salary of the assistant coaches of men’s teams, across all offered sports, and

the average annual institutional salary of the assistant coaches of women's teams, across all offered sports.

(I)(i) The total revenues, and the revenues from football, men's basketball, women's basketball, all other men's sports combined and all other women's sports combined, derived by the institution from the institution's intercollegiate athletics activities.

(ii) For the purpose of clause (i), revenues from intercollegiate athletics activities allocable to a sport shall include (without limitation) gate receipts, broadcast revenues, appearance guarantees and options, concessions, and advertising, but revenues such as student activities fees or alumni contributions not so allocable shall be included in the calculation of total revenues only.

(J)(i) The total expenses, and the expenses attributable to football, men's basketball, women's basketball, all other men's sports combined, and all other women's sports combined, made by the institution for the institution's intercollegiate athletics activities.

(ii) For the purpose of clause (i), expenses for intercollegiate athletics activities allocable to a sport shall include (without limitation) grants-in-aid, salaries, travel, equipment, and supplies, but expenses such as general and administrative overhead not so allocable shall be included in the calculation of total expenses only.

(2) SPECIAL RULE.—For the purposes of paragraph (1)(G), if a coach has responsibilities for more than one team and the institution does not allocate such coach's salary by team, the institution should divide the salary by the number of teams for which the coach has responsibility and allocate the salary among the teams on a basis consistent with the coach's responsibilities for the different teams.

(3) DISCLOSURE OF INFORMATION TO STUDENTS AND PUBLIC.—An institution of higher education described in paragraph (1) shall make available to students and potential students, upon request, and to the public, the information contained in the report described in paragraph (1), except that all students shall be informed of their right to request such information.

(4) SUBMISSION; REPORT; INFORMATION AVAILABILITY.—(A) On an annual basis, each institution of higher education described in paragraph (1) shall provide to the Secretary, within 15 days of the date that the institution makes available the report under paragraph (1), the information contained in the report.

(B) The Secretary shall ensure that the reports described in subparagraph (A) are made available to the public within a reasonable period of time.

(C) Not later than 180 days after the date of enactment of the Higher Education Amendments of 1998, the Secretary shall notify all secondary schools in all States regarding the availability of the information made available under paragraph (1), and how such information may be accessed.

(5) DEFINITION.—For the purposes of this subsection, the term "operating expenses" means expenditures on lodging and meals, transportation, officials, uniforms and equipment.

(h) TRANSFER OF CREDIT POLICIES.—

(1) DISCLOSURE.—Each institution of higher education participating in any program under this title shall publicly disclose, in a readable and comprehensible manner, the transfer of credit policies established by the institution which shall include a statement of the institution's current transfer of credit policies that includes, at a minimum—

(A) any established criteria the institution uses regarding the transfer of credit earned at another institution of higher education; and

(B) a list of institutions of higher education with which the institution has established an articulation agreement.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to—

(A) authorize the Secretary or the National Advisory Committee on Institutional Quality and Integrity to require particular policies, procedures, or practices by institutions of higher education with respect to transfer of credit;

(B) authorize an officer or employee of the Department to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any institution of higher education, or over any accrediting agency or association;

(C) limit the application of the General Education Provisions Act; or

(D) create any legally enforceable right on the part of a student to require an institution of higher education to accept a transfer of credit from another institution.

[(i) DISCLOSURE OF FIRE SAFETY STANDARDS AND MEASURES.—

[(1) ANNUAL FIRE SAFETY REPORTS ON STUDENT HOUSING REQUIRED.—Each eligible institution participating in any program under this title that maintains on-campus student housing facilities shall, on an annual basis, publish a fire safety report, which shall contain information with respect to the campus fire safety practices and standards of that institution, including—

[(A) statistics concerning the following in each on-campus student housing facility during the most recent calendar years for which data are available:

[(i) the number of fires and the cause of each fire;

[(ii) the number of injuries related to a fire that result in treatment at a medical facility;

[(iii) the number of deaths related to a fire; and

[(iv) the value of property damage caused by a fire;

[(B) a description of each on-campus student housing facility fire safety system, including the fire sprinkler system;

[(C) the number of regular mandatory supervised fire drills;

[(D) policies or rules on portable electrical appliances, smoking, and open flames (such as candles), procedures for evacuation, and policies regarding fire safety education and training programs provided to students, faculty, and staff; and

- [(E) plans for future improvements in fire safety, if determined necessary by such institution.
- [(2) REPORT TO THE SECRETARY.—Each institution described in paragraph (1) shall, on an annual basis, submit to the Secretary a copy of the statistics required to be made available under paragraph (1)(A).
- [(3) CURRENT INFORMATION TO CAMPUS COMMUNITY.—Each institution described in paragraph (1) shall—
- [(A) make, keep, and maintain a log, recording all fires in on-campus student housing facilities, including the nature, date, time, and general location of each fire; and
 - [(B) make annual reports to the campus community on such fires.
- [(4) RESPONSIBILITIES OF THE SECRETARY.—The Secretary shall—
- [(A) make the statistics submitted under paragraph (1)(A) to the Secretary available to the public; and
 - [(B) in coordination with nationally recognized fire organizations and representatives of institutions of higher education, representatives of associations of institutions of higher education, and other organizations that represent and house a significant number of students—
 - [(i) identify exemplary fire safety policies, procedures, programs, and practices, including the installation, to the technical standards of the National Fire Protection Association, of fire detection, prevention, and protection technologies in student housing, dormitories, and other buildings;
 - [(ii) disseminate the exemplary policies, procedures, programs and practices described in clause (i) to the Administrator of the United States Fire Administration;
 - [(iii) make available to the public information concerning those policies, procedures, programs, and practices that have proven effective in the reduction of fires; and
 - [(iv) develop a protocol for institutions to review the status of their fire safety systems.
- [(5) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed to—
- [(A) authorize the Secretary to require particular policies, procedures, programs, or practices by institutions of higher education with respect to fire safety, other than with respect to the collection, reporting, and dissemination of information required by this subsection;
 - [(B) affect section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”) or the regulations issued under section 264 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d–2 note);
 - [(C) create a cause of action against any institution of higher education or any employee of such an institution for any civil liability; or
 - [(D) establish any standard of care.

[(6) COMPLIANCE REPORT.—The Secretary shall annually report to the authorizing committees regarding compliance with this subsection by institutions of higher education, including an up-to-date report on the Secretary’s monitoring of such compliance.]

[(7) EVIDENCE.—Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with this subsection shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this subsection.]

(i) FIRE SAFETY REPORTS.—

(1) ANNUAL REPORT.—*Each eligible institution participating in any program under this title that maintains on-campus student housing facilities shall, on an annual basis, publish a fire safety report, which shall contain information with respect to the campus fire safety practices and standards of that institution, statistics on any fire related incidents or injuries, and any preventative measures or technologies.*

(2) RULES OF CONSTRUCTION.—*Nothing in this subsection shall be construed to—*

(A) *authorize the Secretary to require particular policies, procedures, programs, or practices by institutions of higher education with respect to fire safety;*

(B) *affect section 444 of the General Education Provisions Act (commonly known as the “Family Education Rights and Privacy Act of 1974”) or the regulations issued under section 264 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-2 note);*

(C) *create a cause of action against any institution of higher education or any employee of such an institution for any civil liability; or*

(D) *establish any standard of care.*

(3) EVIDENCE.—*Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with this subsection shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this subsection.*

(j) MISSING PERSON PROCEDURES.—

[(1) OPTION AND PROCEDURES.—Each institution of higher education that provides on-campus housing and participates in any program under this title shall—

[(A) establish a missing student notification policy for students who reside in on-campus housing that—

[(i) informs each such student that such student has the option to identify an individual to be contacted by the institution not later than 24 hours after the time that the student is determined missing in accordance with official notification procedures established by the institution under subparagraph (B);

[(ii) provides each such student a means to register confidential contact information in the event that the student is determined to be missing for a period of more than 24 hours;

[(iii) advises each such student who is under 18 years of age, and not an emancipated individual, that

the institution is required to notify a custodial parent or guardian not later than 24 hours after the time that the student is determined to be missing in accordance with such procedures;

[(iv) informs each such residing student that the institution will notify the appropriate law enforcement agency not later than 24 hours after the time that the student is determined missing in accordance with such procedures; and

[(v) requires, if the campus security or law enforcement personnel has been notified and makes a determination that a student who is the subject of a missing person report has been missing for more than 24 hours and has not returned to the campus, the institution to initiate the emergency contact procedures in accordance with the student's designation; and

[(B) establish official notification procedures for a missing student who resides in on-campus housing that—

[(i) includes procedures for official notification of appropriate individuals at the institution that such student has been missing for more than 24 hours;

[(ii) requires any official missing person report relating to such student be referred immediately to the institution's police or campus security department; and

[(iii) if, on investigation of the official report, such department determines that the missing student has been missing for more than 24 hours, requires—

[(I) such department to contact the individual identified by such student under subparagraph (A)(i);

[(II) if such student is under 18 years of age, and not an emancipated individual, the institution to immediately contact the custodial parent or legal guardian of such student; and

[(III) if subclauses (I) or (II) do not apply to a student determined to be a missing person, inform the appropriate law enforcement agency.]

(1) *IN GENERAL.*—*Each institution of higher education that provides on-campus housing and participates in any program under this title shall establish a missing student policy for students who reside in on-campus housing that, at a minimum, informs each residing student that the institution will notify such student's designated emergency contact and the appropriate law enforcement agency not later than 24 hours after the time that the student is determined missing, and in the case of a student who is under 18 years of age, the institution will notify a custodial parent or guardian.*

(2) *RULE OF CONSTRUCTION.*—*Nothing in this subsection shall be construed—*

(A) to provide a private right of action to any person to enforce any provision of this subsection; [or]

(B) to create a cause of action against any institution of higher education or any employee of the institution for any civil liability[.]; or

(C) to require an institution of higher education to maintain separate missing student emergency contact information, so long as the institution otherwise has an emergency contact for students residing on campus.

(k) NOTICE TO STUDENTS CONCERNING PENALTIES FOR DRUG VIOLATIONS.—

(1) NOTICE UPON ENROLLMENT.—Each institution of higher education shall provide to each student, upon enrollment, a separate, clear, and conspicuous written notice that advises the student of the penalties under section 484(r).

(2) NOTICE AFTER LOSS OF ELIGIBILITY.—An institution of higher education shall provide in a timely manner to each student who has lost eligibility for any grant, loan, or work-study assistance under this title as a result of the penalties listed under section 484(r)(1) a separate, clear, and conspicuous written notice that notifies the student of the loss of eligibility and advises the student of the ways in which the student can regain eligibility under section 484(r)(2).

[(1) ENTRANCE COUNSELING FOR BORROWERS.—

[(1) DISCLOSURE REQUIRED PRIOR TO DISBURSEMENT.—

[(A) IN GENERAL.—Each eligible institution shall, at or prior to the time of a disbursement to a first-time borrower of a loan made, insured, or guaranteed under part B (other than a loan made pursuant to section 428C or a loan made on behalf of a student pursuant to section 428B) or made under part D (other than a Federal Direct Consolidation Loan or a Federal Direct PLUS loan made on behalf of a student), ensure that the borrower receives comprehensive information on the terms and conditions of the loan and of the responsibilities the borrower has with respect to such loan in accordance with paragraph (2). Such information—

[(i) shall be provided in a simple and understandable manner; and

[(ii) may be provided—

[(I) during an entrance counseling session conducted in person;

[(II) on a separate written form provided to the borrower that the borrower signs and returns to the institution; or

[(III) online, with the borrower acknowledging receipt of the information.

[(B) USE OF INTERACTIVE PROGRAMS.—The Secretary shall encourage institutions to carry out the requirements of subparagraph (A) through the use of interactive programs that test the borrower's understanding of the terms and conditions of the borrower's loans under part B or D, using simple and understandable language and clear formatting.

[(2) INFORMATION TO BE PROVIDED.—The information to be provided to the borrower under paragraph (1)(A) shall include the following:

[(A) To the extent practicable, the effect of accepting the loan to be disbursed on the eligibility of the borrower for other forms of student financial assistance.

【(B) An explanation of the use of the master promissory note.

【(C) Information on how interest accrues and is capitalized during periods when the interest is not paid by either the borrower or the Secretary.

【(D) In the case of a loan made under section 428B or 428H, a Federal Direct PLUS Loan, or a Federal Direct Unsubsidized Stafford Loan, the option of the borrower to pay the interest while the borrower is in school.

【(E) The definition of half-time enrollment at the institution, during regular terms and summer school, if applicable, and the consequences of not maintaining half-time enrollment.

【(F) An explanation of the importance of contacting the appropriate offices at the institution of higher education if the borrower withdraws prior to completing the borrower's program of study so that the institution can provide exit counseling, including information regarding the borrower's repayment options and loan consolidation.

【(G) Sample monthly repayment amounts based on—

【(i) a range of levels of indebtedness of—

【(I) borrowers of loans under section 428 or 428H; and

【(II) as appropriate, graduate borrowers of loans under section 428, 428B, or 428H; or

【(ii) the average cumulative indebtedness of other borrowers in the same program as the borrower at the same institution.

【(H) The obligation of the borrower to repay the full amount of the loan, regardless of whether the borrower completes or does not complete the program in which the borrower is enrolled within the regular time for program completion.

【(I) The likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation.

【(J) Information on the National Student Loan Data System and how the borrower can access the borrower's records.

【(K) The name of and contact information for the individual the borrower may contact if the borrower has any questions about the borrower's rights and responsibilities or the terms and conditions of the loan.】

(l) ANNUAL FINANCIAL AID COUNSELING.—

(1) ANNUAL DISCLOSURE REQUIRED.—

(A) IN GENERAL.—*Each eligible institution shall ensure, and annually affirm to the Secretary, that each individual enrolled at such institution who receives a Federal Pell Grant or a loan made under this title (other than a Federal Direct Consolidation Loan or Federal ONE Consolidation Loan) receives comprehensive information on the terms and conditions of such Federal Pell Grant or loan and the responsibilities the individual has with respect to such Federal Pell Grant or loan. Such information shall be provided, for each award year for which the individual re-*

ceives such Federal Pell Grant or loan, in a simple and understandable manner—

- (i) during a counseling session conducted in person;
- (ii) online, with the individual acknowledging receipt of the information; or
- (iii) through the use of the online counseling tool described in subsection (n)(1)(B).

(B) *USE OF INTERACTIVE PROGRAMS.*—In the case of institutions not using the online counseling tool described in subsection (n)(1)(B), the Secretary shall require such institutions to carry out the requirements of subparagraph (A)—

- (i) through the use of interactive programs;
- (ii) during an annual counseling session that is in-person or online that tests the individual's understanding of the terms and conditions of the Federal Pell Grant or loan awarded to the student; and
- (iii) using simple and understandable language and clear formatting.

(2) *ALL INDIVIDUALS.*—The information to be provided under paragraph (1) to each individual receiving counseling under this subsection shall include the following:

(A) An explanation of how the student may budget for typical educational expenses and a sample budget based on the cost of attendance for the institution.

(B) An explanation that an individual has a right to annually request a disclosure of information collected by a consumer reporting agency pursuant to section 612(a) of the Fair Credit Reporting Act (15 U.S.C. 1681j(a)).

(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;
- (iii) an associate's degree;
- (iv) a bachelor's degree; and
- (v) a graduate or professional degree.

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

(3) *STUDENTS RECEIVING FEDERAL PELL GRANTS.*—The information to be provided under paragraph (1) to each student receiving a Federal Pell Grant shall include the following:

(A) An explanation of the terms and conditions of the Federal Pell Grant.

(B) An explanation of approved educational expenses for which the student may use the Federal Pell Grant.

(C) An explanation of why the student may have to repay the Federal Pell Grant.

(D) An explanation of the maximum number of semesters or equivalent for which the student may be eligible to receive a Federal Pell Grant, and a statement of the amount

of time remaining for which the student may be eligible to receive a Federal Pell Grant.

(E) An explanation that if the student transfers to another institution not all of the student's courses may be acceptable to apply 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.

(F) An explanation of how the student may seek additional financial assistance from the institution's financial aid office due to a change in the student's financial circumstances, and the contact information for such office.

(4) **BORROWERS RECEIVING LOANS MADE THIS TITLE (OTHER THAN FEDERAL DIRECT PLUS LOANS MADE ON BEHALF OF DEPENDENT STUDENTS OR FEDERAL ONE PARENT LOANS).**—The information to be provided under paragraph (1) to a borrower of a loan made under this title (other than other than a Federal Direct PLUS Loan made on behalf of a dependent student or a Federal ONE Parent Loan) shall include the following:

(A) To the extent practicable, the effect of accepting the loan to be disbursed on the eligibility of the borrower for other forms of student financial assistance.

(B) An explanation of the use of the master promissory note.

(C) An explanation that the borrower is not required to accept the full amount of the loan offered to the borrower.

(D) An explanation that the borrower should consider accepting any grant, scholarship, or State or Federal work-study jobs for which the borrower is eligible prior to accepting Federal student loans.

(E) An explanation of treatment of loans made under this title and private education loans in bankruptcy, and an explanation that if a borrower decides to take out a private education loan—

(i) the borrower has the ability to select a private educational lender of the borrower's choice;

(ii) the proposed private education loan may impact the borrower's potential eligibility for other financial assistance, including Federal financial assistance under this title; and

(iii) the borrower has a right—

(I) to accept the terms of the private education loan within 30 calendar days following the date on which the application for such loan is approved and the borrower receives the required disclosure documents, pursuant to section 128(e)(6) of the Truth in Lending Act; and

(II) to cancel such loan within 3 business days of the date on which the loan is consummated, pursuant to section 128(e)(7) of such Act.

(F) An explanation of the approved educational expenses for which the borrower may use a loan made under this title.

(G) Information on the annual and aggregate loan limits for a loan made under this title.

(H) Information on interest, including the annual percentage rate of such loan, as calculated using the standard 10-year repayment term, and how interest accrues and is capitalized during periods when the interest is not paid by the borrower.

(I) The option of the borrower to pay the interest while the borrower is in school.

(J) The definition of half-time enrollment at the institution, during regular terms and summer school, if applicable, and the consequences of not maintaining at least half-time enrollment.

(K) An explanation of the importance of contacting the appropriate offices at the institution of higher education if the borrower withdraws prior to completing the borrower's program of study so that the institution can provide exit counseling, including information regarding the borrower's repayment options and loan consolidation.

(L) For a first-time borrower or a borrower of a loan under this title who owes no principal or interest on 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, at minimum—

(I) the standard repayment plan; and

(II) an income-based repayment plan under section 466(d) or 493C, as determined using available percentile data from the Bureau of Labor Statistics of the 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 this title who are in the same program of study as the borrower.

(M) For a borrower with an outstanding balance of principal or interest due on a loan made under this title—

(i) a current statement of the amount of such outstanding balance and interest accrued;

(ii) based on such outstanding balance, the anticipated monthly payment amount under the standard repayment plan, and the income-based repayment plan under section 466(d) or 493C, as determined using available percentile data from the Bureau of Labor Statistics of the starting salary for the occupation the borrower intends to be employed; and

(iii) an estimate of the projected monthly payment amount under each repayment plan described in clause (ii), based on—

(I) the outstanding balance described in clause (i);

(II) the anticipated outstanding balance on the loan for which the student is receiving counseling under this subsection; and

(III) a projection for any other loans made under this title that the borrower is reasonably expected to accept during the borrower's program of study based on at least the expected increase in the cost of attendance of such program.

(N) The obligation of the borrower to repay the full amount of the loan, regardless of whether the borrower completes or does not complete the program in which the borrower is enrolled within the regular time for program completion.

(O) The likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under Federal law, and litigation, and a notice of the institution's most recent loan repayment rate (as defined in section 481B) for the educational program in which the borrower is enrolled, an explanation of the loan repayment rate, and the most recent national average loan repayment rate for an educational program.

(P) Information on the National Student Loan Data System and how the borrower can access the borrower's records.

(Q) The contact information for the institution's financial aid office or other appropriate office at the institution the borrower may contact if the borrower has any questions about the borrower's rights and responsibilities or the terms and conditions of the loan.

(5) BORROWERS RECEIVING FEDERAL DIRECT PLUS LOANS FOR DEPENDENT STUDENTS OR FEDERAL ONE PARENT LOANS.—The information to be provided under paragraph (1) to a borrower of a Federal Direct PLUS Loan for a dependent student or a Federal ONE Parent Loan shall include the following:

(A) The information described in subparagraphs (A) through (C) and (N) through (Q) of paragraph (4).

(B) An explanation of the treatment of the loan and private education loans in bankruptcy.

(C) Information on the annual and aggregate loan limits.

(D) Information on the annual percentage rate of the loan.

(E) The option of the borrower to pay the interest on the loan while the loan is in deferment.

(F) For a first-time borrower of a loan or a borrower of a loan under this title who owes no principal or interest on 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 loans made under this title on behalf of dependent students who are in the same program of study as the student on whose behalf the borrower borrowed the loan.

(G) For a borrower with an outstanding balance of principal or interest due on such loan—

(i) a statement of the amount of such outstanding balance;

(ii) based on such outstanding 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—

(I) the outstanding balance described in clause (i);

(II) the anticipated outstanding balance on the loan for which the borrower is receiving counseling under this subsection; and

(III) a projection for any other Federal Direct PLUS Loan made on behalf of the dependent student or Federal ONE Parent Loan that the borrower is reasonably expected to accept during the program of study of such student based on at least the expected increase in the cost of attendance of such program.

(H) Debt management strategies that are designed to facilitate the repayment of such indebtedness.

(I) An explanation that the borrower has the options to prepay each loan, pay each loan on a shorter schedule, and change repayment plans.

(J) For each Federal Direct PLUS Loan and each Federal ONE Parent Loan for which the borrower is receiving counseling under this subsection, the contact information for the loan servicer of the loan and a link to such servicer's Website.

(6) ANNUAL LOAN ACCEPTANCE.—Prior to making the first disbursement of a loan made under this title (other than a Federal Direct Consolidation Loan or Federal ONE Consolidation Loan) to a borrower for an award year, an eligible institution, shall, as part of carrying out the counseling requirements of this subsection for the loan, ensure that after receiving the applicable counseling under paragraphs (2), (4), and (5) for the loan the borrower accepts the loan for such award year by—

(A) signing the master promissory note for the loan;

(B) signing and returning to the institution a separate written statement that affirmatively states that the borrower accepts the loan; or

(C) electronically signing an electronic version of the statement described in subparagraph (B).

(7) PROHIBITION.—An institution of higher education may not counsel a borrower of a loan under this title to divorce or separate and live apart from one another for the purpose of qualifying for, or obtaining an increased amount of, Federal financial assistance under this Act.

(8) *CONSTRUCTION.*—*Nothing in this section shall be construed to prohibit an eligible institution from providing additional information and counseling services to recipients of Federal student aid under this title.*

(m) *DISCLOSURES OF REIMBURSEMENTS FOR SERVICE ON ADVISORY BOARDS.*—

(1) *DISCLOSURE.*—*Each institution of higher education participating in any program under this title shall report, on an annual basis, to the Secretary, any reasonable expenses paid or provided under section 140(d) of the Truth in Lending Act to any employee who is employed in the financial aid office of the institution, or who otherwise has responsibilities with respect to education loans or other financial aid of the institution. Such reports shall include—*

(A) *the amount for each specific instance of reasonable expenses paid or provided;*

(B) *the name of the financial aid official, other employee, or agent to whom the expenses were paid or provided;*

(C) *the dates of the activity for which the expenses were paid or provided; and*

(D) *a brief description of the activity for which the expenses were paid or provided.*

(2) *REPORT TO CONGRESS.*—*The Secretary shall summarize the information received from institutions of higher education under paragraph (1) in a report and transmit such report annually to the authorizing committees.*

(n) *ONLINE COUNSELING TOOLS.*—

(1) *IN GENERAL.*—*Beginning not later than 1 year after the date of enactment of the PROSPER Act, the Secretary shall maintain—*

(A) *an online counseling tool that provides the exit counseling required under subsection (b) and meets the applicable requirements of this subsection; and*

(B) *an online counseling tool that provides the annual counseling required under subsection (l) and meets the applicable requirements of this subsection.*

(2) *REQUIREMENTS OF TOOLS.*—*In maintaining the online counseling tools described in paragraph (1), the Secretary shall ensure that each such tool is—*

(A) *consumer tested to ensure that the tool is effective in helping individuals understand their rights and obligations with respect to borrowing a loan made this title or receiving a Federal Pell Grant;*

(B) *understandable to students receiving Federal Pell Grants and borrowers of loans made this title; and*

(C) *freely available to all eligible institutions.*

(3) *RECORD OF COUNSELING COMPLETION.*—*The Secretary shall—*

(A) *use each online counseling tool described in paragraph (1) to keep a record of which individuals have received counseling using the tool, and notify the applicable institutions of the individual's completion of such counseling;*

(B) *in the case of a borrower who receives annual counseling for a loan made under this title using the tool de-*

scribed in paragraph (1)(B), notify the borrower by when the borrower should accept, in a manner described in subsection (1)(6), the loan for which the borrower has received such counseling; and

(C) in the case of a borrower described in subsection (b)(1)(B) at an institution that uses the online counseling tool described in paragraph (1)(A) of this subsection, the Secretary shall attempt to provide the information described in subsection (b)(1)(A) to the borrower through such tool.

(o) **PREVENTING HAZING ON CAMPUS.**—

(1) **SENSE OF CONGRESS.**—*It is the Sense of Congress that—*

(A) institutions of higher education should have clear policies that prohibit unsafe practices, such as hazing, on campus;

(B) institutions of higher education should ensure each student organization understands what is considered an unsafe practice;

(C) student organizations on campus should ensure their policies and activities do not endanger students safety or cause harm to students;

(D) administrators and faculty should take seriously any threats or acts of harm to students through activities organized by student organizations and act quickly to prevent any potential harm to students by these groups;

(E) institutions of higher education should ensure law enforcement has access to investigate any crimes committed by student organizations without obstruction from the students, student organization, administrators, or faculty; and

(F) hazing is a dangerous practice and should not be allowed on any campus.

(2) **DISCLOSURE OF POLICIES.**—*Each institution of higher education participating in any program under this title shall ensure that—*

(A) all policies and required procedures related to hazing are clearly posted for students, faculty, and administrators; and

(B) all student organizations are aware of—

(i) the policies described in subparagraph (A), including all prohibited activities; and

(ii) the dangers of hazing.

(3) **HAZING DEFINED.**—*In this subsection, the term “hazing” means any intentional, knowing, or reckless act committed by a student, or a former student, of an institution of higher education, whether individually or with other persons, against another student, that—*

(A) was committed in connection with an initiation into, an affiliation with, or the maintenance of membership in, any organization that is affiliated with such institution of higher education; and

(B)(i) contributes to a substantial risk of physical injury, mental harm, or personal degradation; or

(ii) causes physical injury, mental harm or personal degradation.

* * * * *

SEC. 485E. EARLY AWARENESS OF FINANCIAL AID ELIGIBILITY.

(a) **IN GENERAL.**—The Secretary shall implement, in cooperation with States, institutions of higher education, secondary schools, early intervention and outreach programs under this title, other agencies and organizations involved in student financial assistance and college access, public libraries, community centers, employers, and businesses, a comprehensive system of early financial aid information in order to provide students and families with early information about financial aid and early estimates of such students' eligibility for financial aid from multiple sources. Such system shall include the activities described in subsection (b).

(b) **COMMUNICATION OF AVAILABILITY OF AID AND AID ELIGIBILITY.**—

(1) **STUDENTS WHO RECEIVE BENEFITS.**—The Secretary shall—

(A) make special efforts to notify students who receive or are eligible to receive benefits under a Federal means-tested benefit program (including the supplemental nutrition assistance program under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.)), or another such benefit program as determined by the Secretary, of such students' potential eligibility for the Federal Pell Grant amount, determined under section 401(b)(2)(A), for which the student would be eligible; and

(B) disseminate such informational materials, that are part of the system described in subsection (a), as the Secretary determines necessary.

(2) **SECONDARY SCHOOL STUDENTS.**—**【The Secretary,】** *To improve the financial and economic literacy of students and parents of students in order to make informed decisions with respect to financing postsecondary education, the Secretary, in cooperation with States, institutions of higher education, other organizations involved in college access and student financial aid, secondary schools, and programs under this title that serve secondary school students, shall make special efforts to notify students in secondary school and their families, as early as possible but not later than such students' 【junior year】 sophomore year of secondary school, of the availability of financial aid under this title and shall provide nonbinding estimates of the amounts of grant and loan aid that an individual may be eligible for under this title upon completion of an application form under section 483(a). 【The Secretary shall ensure that】* *The Secretary shall—*

(A) *ensure that* such information is as accurate as possible and that such information is provided in an age-appropriate format using dissemination mechanisms suitable for students in secondary school.

(B) *create an online platform—*

(i) *for States, institutions of higher education, other organizations involved in college access and student financial aid, secondary schools, and programs under this title that serve secondary school students to share best practices on disseminating information under this section; and*

(ii) *on which the Secretary shall annually—*

(I) summarize such best practices; and
 (II) describe the notification and dissemination activities carried out under this section.

(3) ADULT LEARNERS.—The Secretary, in cooperation with States, institutions of higher education, other organizations involved in college access and student financial aid, employers, workforce investment boards, and public libraries, shall make special efforts to provide individuals who would qualify as independent students, as defined in section 480(d), with information regarding the availability of financial aid under this title and with nonbinding estimates of the amounts of grant and loan aid that an individual may be eligible for under this title upon completion of an application form under section 483(a). The Secretary shall ensure that such information—

(A) is as accurate as possible;

(B) includes specific information regarding the availability of financial aid for students qualified as independent students, as defined in section 480(d); and

(C) uses dissemination mechanisms suitable for adult learners.

(4) PUBLIC AWARENESS CAMPAIGN.—[Not later than two years after the date of enactment of the Higher Education Opportunity Act, the] *The* Secretary, in coordination with States, institutions of higher education, early intervention and outreach programs under this title, other agencies and organizations involved in college access and student financial aid, secondary schools, organizations that provide services to individuals that are or were homeless, to individuals in foster care, or to other disconnected individuals, local educational agencies, public libraries, community centers, businesses, employers, employment services, workforce investment boards, and movie theaters, shall *continue to* implement a public awareness campaign in order to increase national awareness regarding the availability of financial aid under this title. The public awareness campaign shall disseminate accurate information regarding the availability of financial aid under this title and shall be implemented, to the extent practicable, using a variety of media, including print, television, radio, and [the Internet] *the Internet, including through social media*. The Secretary shall design and implement the public awareness campaign based upon relevant independent research and the information and dissemination strategies found most effective in implementing paragraphs (1) through (3).

(c) ONLINE ESTIMATOR TOOL.—

(1) IN GENERAL.—*Not later than 1 year after the date of enactment of the PROSPER Act, the Secretary, in consultation with States, institutions of higher education, and other individuals with experience or expertise in student financial assistance application processes, shall develop an early estimator tool to be available online and through a mobile application, which—*

(A) allows an individual to—

(i) enter basic financial and other relevant information; and

(ii) on the basis of such information, receive non-binding estimates of potential Federal grant, loan, or

work study assistance under this title for which a student may be eligible upon completion of an application form under section 483(a);

(B) with respect to each institution of higher education that participates in a program under this title selected by an individual for purposes of the estimator tool, provides the individual with the net price (as defined in section 132) for the income category described in paragraph (2) that is determined on the basis of the information under subparagraph (A)(i) of this paragraph entered by the individual;

(C) includes a clear and conspicuous disclaimer that the amounts calculated using the estimator tool are estimates based on limited financial information, and that—

(i) each such estimate—

(I) in the case of an estimate under subparagraph (A), is only an estimate and does not represent a final determination, or actual award, of financial assistance under this title;

(II) in the case of an estimate under subparagraph (B), is only an estimate and not a guarantee of the actual amount that a student may be charged;

(III) shall not be binding on the Secretary or an institution of higher education; and

(IV) may change; and

(ii) a student must complete an application form under section 483(a) in order to be eligible for, and receive, an actual financial aid award that includes Federal grant, loan, or work study assistance under this title; and

(D) includes a clear and conspicuous explanation of the differences between a grant and a loan, and that an individual will be required to repay any loan borrowed by the individual.

(2) INCOME CATEGORIES.—The income categories for purposes of paragraph (1)(B) are as follows:

(A) \$0 to \$30,000.

(B) \$30,001 to \$48,000.

(C) \$48,001 to \$75,000.

(D) \$75,001 to \$110,000.

(E) \$110,001 to \$150,000.

(F) Over \$150,000.

(3) CONSUMER TESTING.—In developing and maintaining the estimator tool described in paragraph (1), the Secretary shall conduct consumer testing with appropriate persons, including current and prospective college students, family members of such students, and other individuals with expertise in student financial assistance application processes and college access, to ensure that such tool is easily understandable by students and families and effective in communicating early aid eligibility.

(4) DATA STORAGE PROHIBITED.—In carrying out this subsection, the Secretary shall not keep, store, or warehouse any data inputted by individuals accessing the tool described in paragraph (1).

(d) PELL TABLE.—

(1) *IN GENERAL.*—The Secretary shall develop, and annually update at the beginning of each award year, the following electronic tables to be utilized in carrying out this section and containing the information described in paragraph (2) of this subsection:

(A) An electronic table for dependent students.

(B) An electronic table for independent students with dependents other than a spouse.

(C) An electronic table for independent students without dependents other than a spouse.

(2) *INFORMATION.*—Each electronic table under paragraph (1), with respect to the category of students to which the table applies for the most recently completed award year for which information is available, and disaggregated in accordance with paragraph (3), shall contain the following information:

(A) The percentage of undergraduate students attending an institution of higher education on a full-time, full-academic year basis who file the financial aid form prescribed under section 483 for the award year and received, for their first academic year during such award year (and not for any additional payment periods after such first academic year), the following:

(i) A Federal Pell Grant equal to the maximum amount of a Federal Pell Grant award determined under section 401(b)(2) for such award year.

(ii) A Federal Pell Grant in an amount that is—

(I) less than the maximum amount described in clause (i); and

(II) not less than $\frac{3}{4}$ of such maximum amount for such award year.

(iii) A Federal Pell Grant in an amount that is—

(I) less than $\frac{3}{4}$ of such maximum amount; and

(II) not less than $\frac{1}{2}$ of such maximum amount for such award year.

(iv) A Federal Pell Grant in an amount that is—

(I) less than $\frac{1}{2}$ of such maximum amount; and

(II) not less than the minimum Federal Pell Grant amount determined under section 401(b)(4) for such award year.

(B) The dollar amounts equal to—

(i) the maximum amount of a Federal Pell Grant award determined under section 401(b)(2) for an award year;

(ii) $\frac{3}{4}$ of such maximum amount;

(iii) $\frac{1}{2}$ of such maximum amount; and

(iv) the minimum Federal Pell Grant amount determined under section 401(b)(4) for such award year.

(C) A clear and conspicuous notice that—

(i) the Federal Pell Grant amounts listed in subparagraph (B) are for a previous award year, and such amounts and the requirements for awarding such amounts may be different for succeeding award years; and

(ii) the Federal Pell Grant amount for which a student may be eligible will be determined based on a

number of factors, including enrollment status, once the student completes an application form under section 483(a).

(D) A link to the early estimator tool described in subsection (c) of this section, which includes an explanation that an individual may estimate a student's potential Federal aid eligibility under this title by accessing the estimator on the individual's mobile phone or online.

(3) **INCOME CATEGORIES.**—The information provided under paragraph (2)(A) shall be disaggregated by the following income categories:

(A) Less than \$5,000.

(B) \$5,000 to \$9,999.

(C) \$10,000 to \$19,999.

(D) \$20,000 to \$29,999.

(E) \$30,000 to \$39,999.

(F) \$40,000 to \$49,999.

(G) \$50,000 to \$59,999.

(H) Greater than \$59,999.

(e) **LIMITATION.**—The Secretary may not require a State to participate in the activities or disseminate the materials described in this section.

[SEC. 486. DISTANCE EDUCATION DEMONSTRATION PROGRAMS.

[(a) PURPOSE.—It is the purpose of this section—

[(1) to allow demonstration programs that are strictly monitored by the Department of Education to test the quality and viability of expanded distance education programs currently restricted under this Act;

[(2) to provide for increased student access to higher education through distance education programs; and

[(3) to help determine—

[(A) the most effective means of delivering quality education via distance education course offerings;

[(B) the specific statutory and regulatory requirements which should be altered to provide greater access to high quality distance education programs; and

[(C) the appropriate level of Federal assistance for students enrolled in distance education programs.

[(b) DEMONSTRATION PROGRAMS AUTHORIZED.—

[(1) IN GENERAL.—In accordance with the provisions of subsection (d), the Secretary is authorized to select institutions of higher education, systems of such institutions, or consortia of such institutions for voluntary participation in a Distance Education Demonstration Program that provides participating institutions with the ability to offer distance education programs that do not meet all or a portion of the sections or regulations described in paragraph (2).

[(2) WAIVERS.—The Secretary is authorized to waive for any institution of higher education, system of institutions of higher education, or consortium participating in a Distance Education Demonstration Program, the requirements of section 472(5) as the section relates to computer costs, sections 481(a) and 481(b) as such sections relate to requirements for a minimum number of weeks of instruction, sections 102(a)(3)(A), 102(a)(3)(B), and 484(1)(1), or one or more of the regulations

prescribed under this part or part F which inhibit the operation of quality distance education programs.

[(3) ELIGIBLE APPLICANTS.—

[(A) ELIGIBLE INSTITUTIONS.—Except as provided in subparagraphs (B), (C), and (D), only an institution of higher education that is eligible to participate in programs under this title shall be eligible to participate in the demonstration program authorized under this section.

[(B) PROHIBITION.—An institution of higher education described in section 102(a)(1)(C) shall not be eligible to participate in the demonstration program authorized under this section.

[(C) SPECIAL RULE.—Subject to subparagraph (B), an institution of higher education that meets the requirements of subsection (a) of section 102, other than the requirement of paragraph (3)(A) or (3)(B) of such subsection, and that provides a 2-year or 4-year program of instruction for which the institution awards an associate or baccalaureate degree, shall be eligible to participate in the demonstration program authorized under this section.

[(D) REQUIREMENT.—Notwithstanding any other provision of this paragraph, Western Governors University shall be considered eligible to participate in the demonstration program authorized under this section. In addition to the waivers described in paragraph (2), the Secretary may waive the provisions of title I and parts G and H of this title for such university that the Secretary determines to be appropriate because of the unique characteristics of such university. In carrying out the preceding sentence, the Secretary shall ensure that adequate program integrity and accountability measures apply to such university's participation in the demonstration program authorized under this section.

[(c) APPLICATION.—

[(1) IN GENERAL.—Each institution, system, or consortium of institutions desiring to participate in a demonstration program under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

[(2) CONTENTS.—Each application shall include—

[(A) a description of the institution, system, or consortium's consultation with a recognized accrediting agency or association with respect to quality assurances for the distance education programs to be offered;

[(B) a description of the statutory and regulatory requirements described in subsection (b)(2) or, if applicable, subsection (b)(3)(D) for which a waiver is sought and the reasons for which the waiver is sought;

[(C) a description of the distance education programs to be offered;

[(D) a description of the students to whom distance education programs will be offered;

[(E) an assurance that the institution, system, or consortium will offer full cooperation with the ongoing evaluations of the demonstration program provided for in this section; and

[(F) such other information as the Secretary may require.

[(d) SELECTION.—

[(1) IN GENERAL.—For the first year of the demonstration program authorized under this section, the Secretary is authorized to select for participation in the program not more than 15 institutions, systems of institutions, or consortia of institutions. For the third year of the demonstration program authorized under this section, the Secretary may select not more than 35 institutions, systems, or consortia, in addition to the institutions, systems, or consortia selected pursuant to the preceding sentence, to participate in the demonstration program if the Secretary determines that such expansion is warranted based on the evaluations conducted in accordance with subsections (f) and (g).

[(2) CONSIDERATIONS.—In selecting institutions to participate in the demonstration program in the first or succeeding years of the program, the Secretary shall take into account—

[(A) the number and quality of applications received;

[(B) the Department's capacity to oversee and monitor each institution's participation;

[(C) an institution's—

[(i) financial responsibility;

[(ii) administrative capability; and

[(iii) program or programs being offered via distance education; and

[(D) ensuring the participation of a diverse group of institutions with respect to size, mission, and geographic distribution.

[(e) NOTIFICATION.—The Secretary shall make available to the public and to the authorizing committees a list of institutions, systems or consortia selected to participate in the demonstration program authorized by this section. Such notice shall include a listing of the specific statutory and regulatory requirements being waived for each institution, system or consortium and a description of the distance education courses to be offered.

[(f) EVALUATIONS AND REPORTS.—

[(1) EVALUATION.—The Secretary shall evaluate the demonstration programs authorized under this section on an annual basis. Such evaluations specifically shall review—

[(A) the extent to which the institution, system or consortium has met the goals set forth in its application to the Secretary, including the measures of program quality assurance;

[(B) the number and types of students participating in the programs offered, including the progress of participating students toward recognized certificates or degrees and the extent to which participation in such programs increased;

[(C) issues related to student financial assistance for distance education;

[(D) effective technologies for delivering distance education course offerings; and

[(E) the extent to which statutory or regulatory requirements not waived under the demonstration program present difficulties for students or institutions.

[(2) POLICY ANALYSIS.—The Secretary shall review current policies and identify those policies that present impediments to the development and use of distance education and other non-traditional methods of expanding access to education.

[(3) ANNUAL REPORTS.—The Secretary shall provide reports to the authorizing committees on an annual basis regarding—

[(A) the demonstration programs authorized under this section; and

[(B) the number and types of students receiving assistance under this title for instruction leading to a recognized certificate, as provided for in section 484(l)(1), including the progress of such students toward recognized certificates and the degree to which participation in such programs leading to such certificates increased.

[(g) OVERSIGHT.—In conducting the demonstration program authorized under this section, the Secretary shall, on a continuing basis—

[(1) assure compliance of institutions, systems or consortia with the requirements of this title (other than the sections and regulations that are waived under subsections (b)(2) and (b)(3)(D));

[(2) provide technical assistance;

[(3) monitor fluctuations in the student population enrolled in the participating institutions, systems or consortia; and

[(4) consult with appropriate accrediting agencies or associations and appropriate State regulatory authorities.

[(h) DEFINITION.—For the purpose of this section, the term “distance education” means an educational process that is characterized by the separation, in time or place, between instructor and student. Such term may include courses offered principally through the use of—

[(1) television, audio, or computer transmission, such as open broadcast, closed circuit, cable, microwave, or satellite transmission;

[(2) audio or computer conferencing;

[(3) video cassettes or discs; or

[(4) correspondence.]

* * * * *

SEC. 487. PROGRAM PARTICIPATION AGREEMENTS.

(a) REQUIRED FOR PROGRAMS OF ASSISTANCE; CONTENTS.—In order to be an eligible institution for the purposes of any program authorized under this title, an institution must be an institution of higher education or an eligible institution (as that term is defined for the purpose of that program) and shall, except with respect to a program under subpart 4 of part A, enter into a program participation agreement with the Secretary. The agreement shall condition the initial and continuing eligibility of an institution to participate in a program upon compliance with the following requirements:

(1) The institution will use funds received by it for any program under this title and any interest or other earnings there-

on solely for the purpose specified in and in accordance with the provision of that program.

(2) The institution shall not charge any student a fee for processing or handling any application, form, or data required to determine the student's eligibility for assistance under this title or the amount of such assistance.

(3) The institution will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under this title, together with assurances that the institution will provide, upon request and in a timely fashion, information relating to the administrative capability and financial responsibility of the institution to—

(A) the Secretary;

(B) the appropriate guaranty agency; and

(C) the appropriate accrediting agency or association.

(4) The institution will comply with the provisions of subsection (c) of this section and the regulations prescribed under that subsection, relating to fiscal eligibility.

(5) The institution will submit reports to the Secretary [and, in the case of an institution participating in a program under part B or part E, to holders of loans made to the institution's students under such parts] at such times and containing such information as the Secretary may reasonably require to carry out the purpose of this title.

[(6) The institution will not provide any student with any statement or certification to any lender under part B that qualifies the student for a loan or loans in excess of the amount that student is eligible to borrow in accordance with sections 425(a), 428(a)(2), and 428(b)(1) (A) and (B).]

[(7)] (6) The institution will comply with the requirements of section 485.

[(8)] (7) In the case of an institution that advertises job placement rates as a means of attracting students to enroll in the institution, the institution will make available to prospective students, at or before the time of application (A) the most recent available data concerning employment statistics, graduation statistics, and any other information necessary to substantiate the truthfulness of the advertisements, and (B) relevant State licensing requirements of the State in which such institution is located for any job for which the course of instruction is designed to prepare such prospective students.

[(9)] (8) In the case of an institution participating [in a program under part B or D] *in a loan program under this title*, the institution will inform all eligible borrowers enrolled in the institution about the availability and eligibility of such borrowers for State grant assistance from the State in which the institution is located, and will inform such borrowers from another State of the source for further information concerning such assistance from that State.

[(10)] (9) The institution certifies that it has in operation a drug abuse prevention program *under section 118* that is determined by the institution to be accessible to any officer, employee, or student at the institution.

[(11)] (10) In the case of any institution whose students receive financial assistance pursuant to section 484(d), the institution will make available to such students a program proven successful in assisting students in obtaining a certificate of high school equivalency.

[(12)] (11) The institution certifies that—

(A) the institution has established a campus security policy; and

(B) the institution has complied with the disclosure requirements of section 485(f).

[(13)] (12) The institution will not deny any form of Federal financial aid to any student who meets the eligibility requirements of this title on the grounds that the student is participating in a program of study abroad approved for credit by the institution.

[(14)] (13)(A) The institution, in order to participate as an eligible institution [under part B or D] *a loan program under this title*, will develop a [Default Management Plan] *Repayment Success Plan* for approval by the Secretary as part of its initial application for certification as an eligible institution and will implement such Plan for two years thereafter.

(B) Any institution of higher education which changes ownership and any eligible institution which changes its status as a parent or subordinate institution shall, in order to participate as an eligible institution [under part B or D] *a loan program under this title*, develop a [Default Management Plan] *Repayment Success Plan* for approval by the Secretary and implement such Plan for two years after its change of ownership or status.

(C) This paragraph shall not apply in the case of an institution in which (i) neither the parent nor the subordinate institution has [a cohort default rate in excess of 10 percent] *any program with a loan repayment rate less than 65 percent*, and (ii) the new owner of such parent or subordinate institution does not, and has not, owned any other institution with [a cohort default rate in excess of 10 percent] *any program with a loan repayment rate less than 65 percent*.

[(15)] (14) The institution acknowledges the authority of the Secretary, guaranty agencies, lenders, accrediting agencies, the Secretary of Veterans Affairs, and the State agencies under subpart 1 of part H to share with each other any information pertaining to the institution's eligibility to participate in programs under this title or any information on fraud and abuse.

[(16)] (15)(A) The institution will not knowingly employ an individual in a capacity that involves the administration of programs under this title, or the receipt of program funds under this title, who has been convicted of, or has pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of funds under this title, or has been judicially determined to have committed fraud involving funds under this title or contract with an institution or third party servicer that has been terminated under section 432 involving the acquisition, use, or expenditure of funds under this title, or who has been judicially determined to have committed fraud involving funds under this title.

(B) The institution will not knowingly contract with or employ any individual, agency, or organization that has been, or whose officers or employees have been—

(i) convicted of, or pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of funds under this title; or

(ii) judicially determined to have committed fraud involving funds under this title.

[(17)] (16) The institution will complete surveys conducted as a part of the Integrated Postsecondary Education Data System (IPEDS) or any other Federal postsecondary institution data collection effort, as designated by the Secretary, in a timely manner and to the satisfaction of the Secretary.

[(18)] (17) The institution will meet the requirements established pursuant to section 485(g).

[(19)] (18) The institution will not impose any penalty, including the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that the student borrow additional funds, on any student because of the student's inability to meet his or her financial obligations to the institution as a result of the delayed disbursement of the proceeds of a loan made under this title due to compliance with the provisions of this title, or delays attributable to the institution.

[(20)] (19) [The institution] (A) *Except as provided in subparagraph (B), the institution will not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the award of student financial assistance, except that this paragraph shall not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.*

(B) *An institution described in section 101 may provide payment, based on—*

(i) *the amount of tuition generated by the institution from student enrollment, to a third-party entity that provides a set of services to the institution that includes student recruitment services, regardless of whether the third-party entity is affiliated with an institution that provides educational services other than the institution providing such payment, if—*

(I) *the third-party entity is not affiliated with the institution providing such payment;*

(II) *the third-party entity does not make compensation payments to its employees that would be prohibited under subparagraph (A) if such payments were made by the institution;*

(III) *the set of services provided to the institution by the third-party entity include services in addition to student recruitment services, and the institution does not pay the third-party entity solely or separately for student recruitment services provided by the third-party entity; and*

(IV) any student recruitment information available to the third-party entity, including personally identifiable information, will not be used by, shared with, or sold to any other person or entity, including any institution that is affiliated with the third-party entity, unless written consent is provided by the student; and

(ii) students successfully completing their educational programs, to persons who were engaged in recruiting such students, but solely to the extent that such payments—

(I) are obligated to be paid, and are actually paid, only after each student upon whom such payments are based has successfully completed his or her educational program; and

(II) are paid only to employees of the institution or its parent company, and not to any other person or outside entity.

[(21)] (20) The institution will meet the requirements established by the Secretary and accrediting agencies or associations, and will provide evidence to the Secretary that the institution has the authority to operate **[within a State]** *within a State in which it maintains a physical location.*

[(22)] (21) The institution will comply with the refund policy established pursuant to section 484B.

[(23)(A)] The institution, if located in a State to which section 4(b) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-2(b)) does not apply, will make a good faith effort to distribute a mail voter registration form, requested and received from the State, to each student enrolled in a degree or certificate program and physically in attendance at the institution, and to make such forms widely available to students at the institution.

[(B)] The institution shall request the forms from the State 120 days prior to the deadline for registering to vote within the State. If an institution has not received a sufficient quantity of forms to fulfill this section from the State within 60 days prior to the deadline for registering to vote in the State, the institution shall not be held liable for not meeting the requirements of this section during that election year.

[(C)] This paragraph shall apply to general and special elections for Federal office, as defined in section 301(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(3)), and to the elections for Governor or other chief executive within such State).

[(D)] The institution shall be considered in compliance with the requirements of subparagraph (A) for each student to whom the institution electronically transmits a message containing a voter registration form acceptable for use in the State in which the institution is located, or an Internet address where such a form can be downloaded, if such information is in an electronic message devoted exclusively to voter registration.

[(24)] In the case of a proprietary institution of higher education (as defined in section 102(b)), such institution will derive not less than ten percent of such institution's revenues from sources other than funds provided under this title, as cal-

culated in accordance with subsection (d)(1), or will be subject to the sanctions described in subsection (d)(2).】

(22) *The institution, if located in a State to which section 4(b) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-2(b)) does not apply, will make a good faith effort to distribute, including through electronic transmission, voter registration forms to students enrolled and physically in attendance at the institution.*

【(25)】 (23) In the case of an institution that participates in a loan program under this title, the institution will—

(A) develop a code of conduct with respect to such loans with which the institution’s officers, employees, and agents shall comply, that—

(i) prohibits a conflict of interest with the responsibilities of an officer, employee, or agent of an institution with respect to such loans; and

(ii) at a minimum, includes the provisions described in subsection (e);

(B) publish such code of conduct prominently on the institution’s website; and

(C) administer and enforce such code by, at a minimum, requiring that all of the institution’s officers, employees, and agents with responsibilities with respect to such loans be annually informed of the provisions of the code of conduct.

【(26)】 (24) The institution will, upon written request, disclose to the alleged victim of any crime of violence (as that term is defined in section 16 of title 18, United States Code), or a nonforcible sex offense, the report on the results of any disciplinary proceeding conducted by such institution against a student who is the alleged perpetrator of such crime or offense with respect to such crime or offense. If the alleged victim of such crime or offense is deceased as a result of such crime or offense, the next of kin of such victim shall be treated as the alleged victim for purposes of this paragraph.

【(27)】 (25) In the case of an institution that has entered into a preferred lender arrangement, the institution will at least annually compile, maintain, and make available for students attending the institution, and the families of such students, a list, in print or other medium, of the specific lenders for loans made, insured, or guaranteed under this title or private education loans that the institution recommends, promotes, or endorses in accordance with such preferred lender arrangement. In making such list, the institution shall comply with the requirements of subsection (h).

【(28)】 (26)(A) The institution will, upon the request of an applicant for a private education loan, provide to the applicant the form required under section 128(e)(3) of the Truth in Lending Act (15 U.S.C. 1638(e)(3)), and the information required to complete such form, to the extent the institution possesses such information.

(B) For purposes of this paragraph, the term “private education loan” has the meaning given such term in section 140 of the Truth in Lending Act.

【(29)】 The institution certifies that the institution—

【(A) has developed plans to effectively combat the unauthorized distribution of copyrighted material, including through the use of a variety of technology-based deterrents; and

【(B) will, to the extent practicable, offer alternatives to illegal downloading or peer-to-peer distribution of intellectual property, as determined by the institution in consultation with the chief technology officer or other designated officer of the institution.】

(27) The institution will have a policy prohibiting copyright infringement.

(b) HEARINGS.—(1) An institution that has received written notice of a final audit or program review determination and that desires to have such determination reviewed by the Secretary shall submit to the Secretary a written request for review not later than 45 days after receipt of notification of the final audit or program review determination.

(2) The Secretary shall, upon receipt of written notice under paragraph (1), arrange for a hearing and notify the institution within 30 days of receipt of such notice the date, time, and place of such hearing. Such hearing shall take place not later than 120 days from the date upon which the Secretary notifies the institution.

(c) AUDITS; FINANCIAL RESPONSIBILITY; ENFORCEMENT OF STANDARDS.—(1) Notwithstanding any other provisions of this title, the Secretary shall prescribe such regulations as may be necessary to provide for—

(A)(i) except as provided in clauses (ii) and (iii), a financial audit of an eligible institution with regard to the financial condition of the institution in its entirety, and a compliance audit of such institution with regard to any funds obtained by it under this title or obtained from a student or a parent who has a loan insured or guaranteed by the Secretary under this title, on at least an annual basis and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary and shall be available to cognizant guaranty agencies, eligible lenders, State agencies, and the appropriate State agency notifying the Secretary under subpart 1 of part H, except that the Secretary may modify the requirements of this clause with respect to institutions of higher education that are foreign institutions, and may waive such requirements with respect to a foreign institution whose students receive less than \$500,000 in loans under this title during the award year preceding the audit period;

(ii) with regard to an eligible institution which is audited under chapter 75 of title 31, United States Code, deeming such audit to satisfy the requirements of clause (i) for the period covered by such audit; or

(iii) at the discretion of the Secretary, with regard to an eligible institution (other than an eligible institution described in 【section 102(a)(1)(C)】 *section 102(a)(1)*) that has obtained less

than \$200,000 in funds under this title during each of the 2 award years that precede the audit period and submits a letter of credit payable to the Secretary equal to not less than $\frac{1}{2}$ of the annual potential liabilities of such institution as determined by the Secretary, deeming an audit conducted every 3 years to satisfy the requirements of clause (i), except for the award year immediately preceding renewal of the institution's eligibility under section 498(g);

(B) in matters not governed by specific program provisions, the establishment of reasonable standards of financial responsibility and appropriate institutional capability for the administration by an eligible institution of a program of student financial aid under this title, including any matter the Secretary deems necessary to the sound administration of the financial aid programs, such as the pertinent actions of any owner, shareholder, or person exercising control over an eligible institution;

(C)(i) except as provided in clause (ii), a compliance audit of a third party servicer (other than with respect to the servicer's functions as a lender if such functions are otherwise audited under this part and such audits meet the requirements of this clause), with regard to any contract with an eligible institution, guaranty agency, or lender for administering or servicing any aspect of the student assistance programs under this title, at least once every year and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

(ii) with regard to a third party servicer that is audited under chapter 75 of title 31, United States Code, such audit shall be deemed to satisfy the requirements of clause (i) for the period covered by such audit;

(D)(i) a compliance audit of a secondary market with regard to its transactions involving, and its servicing and collection of, loans made under this title, at least once a year and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

(ii) with regard to a secondary market that is audited under chapter 75 of title 31, United States Code, such audit shall be deemed to satisfy the requirements of clause (i) for the period covered by the audit;

(E) the establishment, by each eligible institution under part B responsible for furnishing to the lender the statement required by section 428(a)(2)(A)(i), of policies and procedures by which the latest known address and enrollment status of any student who has had a loan insured under this part and who has either formally terminated his enrollment, or failed to re-enroll on at least a half-time basis, at such institution, shall

be furnished either to the holder (or if unknown, the insurer) of the note, not later than 60 days after such termination or failure to re-enroll;

(F) the limitation, suspension, or termination of the participation in any program under this title of an eligible institution, or the imposition of a civil penalty under paragraph (3)(B) whenever the Secretary has determined, after reasonable notice and opportunity for hearing, that such institution has violated or failed to carry out any provision of this title, any regulation prescribed under this title, or any applicable special arrangement, agreement, or limitation, except that no period of suspension under this section shall exceed 60 days unless the institution and the Secretary agree to an extension or unless limitation or termination proceedings are initiated by the Secretary within that period of time;

(G) an emergency action against an institution, under which the Secretary shall, effective on the date on which a notice and statement of the basis of the action is mailed to the institution (by registered mail, return receipt requested), withhold funds from the institution or its students and withdraw the institution's authority to obligate funds under any program under this title, if the Secretary—

(i) receives information, determined by the Secretary to be reliable, that the institution is violating any provision of this title, any regulation prescribed under this title, or any applicable special arrangement, agreement, or limitation,

(ii) determines that immediate action is necessary to prevent misuse of Federal funds, and

(iii) determines that the likelihood of loss outweighs the importance of the procedures prescribed under subparagraph (D) for limitation, suspension, or termination,

except that an emergency action shall not exceed 30 days unless limitation, suspension, or termination proceedings are initiated by the Secretary against the institution within that period of time, and except that the Secretary shall provide the institution an opportunity to show cause, if it so requests, that the emergency action is unwarranted;

(H) the limitation, suspension, or termination of the eligibility of a third party servicer to contract with any institution to administer any aspect of an institution's student assistance program under this title, or the imposition of a civil penalty under paragraph (3)(B), whenever the Secretary has determined, after reasonable notice and opportunity for a hearing, that such organization, acting on behalf of an institution, has violated or failed to carry out any provision of this title, any regulation prescribed under this title, or any applicable special arrangement, agreement, or limitation, except that no period of suspension under this subparagraph shall exceed 60 days unless the organization and the Secretary agree to an extension, or unless limitation or termination proceedings are initiated by the Secretary against the individual or organization within that period of time; and

(I) an emergency action against a third party servicer that has contracted with an institution to administer any aspect of

the institution's student assistance program under this title, under which the Secretary shall, effective on the date on which a notice and statement of the basis of the action is mailed to such individual or organization (by registered mail, return receipt requested), withhold funds from the individual or organization and withdraw the individual or organization's authority to act on behalf of an institution under any program under this title, if the Secretary—

- (i) receives information, determined by the Secretary to be reliable, that the individual or organization, acting on behalf of an institution, is violating any provision of this title, any regulation prescribed under this title, or any applicable special arrangement, agreement, or limitation,
- (ii) determines that immediate action is necessary to prevent misuse of Federal funds, and
- (iii) determines that the likelihood of loss outweighs the importance of the procedures prescribed under subparagraph (F), for limitation, suspension, or termination, except that an emergency action shall not exceed 30 days unless the limitation, suspension, or termination proceedings are initiated by the Secretary against the individual or organization within that period of time, and except that the Secretary shall provide the individual or organization an opportunity to show cause, if it so requests, that the emergency action is unwarranted.

(2) If an individual who, or entity that, exercises substantial control, as determined by the Secretary in accordance with the definition of substantial control in subpart 3 of part H, over one or more institutions participating in any program under this title, or, for purposes of paragraphs (1) (H) and (I), over one or more organizations that contract with an institution to administer any aspect of the institution's student assistance program under this title, is determined to have committed one or more violations of the requirements of any program under this title, or has been suspended or debarred in accordance with the regulations of the Secretary, the Secretary may use such determination, suspension, or debarment as the basis for imposing an emergency action on, or limiting, suspending, or terminating, in a single proceeding, the participation of any or all institutions under the substantial control of that individual or entity.

(3)(A) Upon determination, after reasonable notice and opportunity for a hearing, that an eligible institution has engaged in substantial misrepresentation of the nature of its educational program, its financial charges, or the employability of its graduates, the Secretary may suspend or terminate the eligibility status for any or all programs under this title of any otherwise eligible institution, in accordance with procedures specified in paragraph (1)(D) of this subsection, until the Secretary finds that such practices have been corrected.

(B)(i) Upon determination, after reasonable notice and opportunity for a hearing, that an eligible institution—

- (I) has violated or failed to carry out any provision of this title or any regulation prescribed under this title; or

(II) has engaged in substantial misrepresentation of the nature of its educational program, its financial charges, and the employability of its graduates, the Secretary may impose a civil penalty upon such institution of not to exceed \$25,000 for each violation or misrepresentation.

(ii) Any civil penalty may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of the penalty to the size of the institution of higher education subject to the determination, and the gravity of the violation, failure, or misrepresentation shall be considered. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the institution charged.

(4) The Secretary shall publish a list of State agencies which the Secretary determines to be reliable authority as to the quality of public postsecondary vocational education in their respective States for the purpose of determining eligibility for all Federal student assistance programs.

(5) The Secretary shall make readily available to appropriate guaranty agencies, eligible lenders, State agencies notifying the Secretary under subpart 1 of part H, and accrediting agencies or associations the results of the audits of eligible institutions conducted pursuant to paragraph (1)(A).

(6) The Secretary is authorized to provide any information collected as a result of audits conducted under this section, together with audit information collected by guaranty agencies, to any Federal or State agency having responsibilities with respect to student financial assistance, including those referred to in subsection (a)(15) of this section.

(7) Effective with respect to any audit conducted under this subsection after December 31, 1988, if, in the course of conducting any such audit, the personnel of the Department of Education discover, or are informed of, grants or other assistance provided by an institution in accordance with this title for which the institution has not received funds appropriated under this title (in the amount necessary to provide such assistance), including funds for which reimbursement was not requested prior to such discovery or information, such institution shall be permitted to offset that amount against any sums determined to be owed by the institution pursuant to such audit, or to receive reimbursement for that amount (if the institution does not owe any such sums).

[(d) IMPLEMENTATION OF NON-TITLE IV REVENUE REQUIREMENT.—

[(1) CALCULATION.—In making calculations under subsection (a)(24), a proprietary institution of higher education shall—

[(A) use the cash basis of accounting, except in the case of loans described in subparagraph (D)(i) that are made by the proprietary institution of higher education;

[(B) consider as revenue only those funds generated by the institution from—

[(i) tuition, fees, and other institutional charges for students enrolled in programs eligible for assistance under this title;

[(ii) activities conducted by the institution that are necessary for the education and training of the institution's students, if such activities are—

[(I) conducted on campus or at a facility under the control of the institution;

[(II) performed under the supervision of a member of the institution's faculty; and

[(III) required to be performed by all students in a specific educational program at the institution; and

[(iii) funds paid by a student, or on behalf of a student by a party other than the institution, for an education or training program that is not eligible for funds under this title, if the program—

[(I) is approved or licensed by the appropriate State agency;

[(II) is accredited by an accrediting agency recognized by the Secretary; or

[(III) provides an industry-recognized credential or certification;

[(C) presume that any funds for a program under this title that are disbursed or delivered to or on behalf of a student will be used to pay the student's tuition, fees, or other institutional charges, regardless of whether the institution credits those funds to the student's account or pays those funds directly to the student, except to the extent that the student's tuition, fees, or other institutional charges are satisfied by—

[(i) grant funds provided by non-Federal public agencies or private sources independent of the institution;

[(ii) funds provided under a contractual arrangement with a Federal, State, or local government agency for the purpose of providing job training to low-income individuals who are in need of that training;

[(iii) funds used by a student from savings plans for educational expenses established by or on behalf of the student and which qualify for special tax treatment under the Internal Revenue Code of 1986; or

[(iv) institutional scholarships described in subparagraph (D)(iii);

[(D) include institutional aid as revenue to the school only as follows:

[(i) in the case of loans made by a proprietary institution of higher education on or after July 1, 2008 and prior to July 1, 2012, the net present value of such loans made by the institution during the applicable institutional fiscal year accounted for on an accrual basis and estimated in accordance with generally accepted accounting principles and related standards and guidance, if the loans—

[(I) are bona fide as evidenced by enforceable promissory notes;

[(II) are issued at intervals related to the institution's enrollment periods; and

[(III) are subject to regular loan repayments and collections;

[(ii) in the case of loans made by a proprietary institution of higher education on or after July 1, 2012, only the amount of loan repayments received during the applicable institutional fiscal year, excluding repayments on loans made and accounted for as specified in clause (i); and

[(iii) in the case of scholarships provided by a proprietary institution of higher education, only those scholarships provided by the institution in the form of monetary aid or tuition discounts based upon the academic achievements or financial need of students, disbursed during each fiscal year from an established restricted account, and only to the extent that funds in that account represent designated funds from an outside source or from income earned on those funds;

[(E) in the case of each student who receives a loan on or after July 1, 2008, and prior to July 1, 2011, that is authorized under section 428H or that is a Federal Direct Unsubsidized Stafford Loan, treat as revenue received by the institution from sources other than funds received under this title, the amount by which the disbursement of such loan received by the institution exceeds the limit on such loan in effect on the day before the date of enactment of the Ensuring Continued Access to Student Loans Act of 2008; and

[(F) exclude from revenues—

[(i) the amount of funds the institution received under part C, unless the institution used those funds to pay a student's institutional charges;

[(ii) the amount of funds the institution received under subpart 4 of part A;

[(iii) the amount of funds provided by the institution as matching funds for a program under this title;

[(iv) the amount of funds provided by the institution for a program under this title that are required to be refunded or returned; and

[(v) the amount charged for books, supplies, and equipment, unless the institution includes that amount as tuition, fees, or other institutional charges.

[(2) SANCTIONS.—

[(A) INELIGIBILITY.—A proprietary institution of higher education that fails to meet a requirement of subsection (a)(24) for two consecutive institutional fiscal years shall be ineligible to participate in the programs authorized by this title for a period of not less than two institutional fiscal years. To regain eligibility to participate in the programs authorized by this title, a proprietary institution of higher education shall demonstrate compliance with all eligibility and certification requirements under section 498 for a minimum of two institutional fiscal years after the institutional fiscal year in which the institution became ineligible.

[(B) ADDITIONAL ENFORCEMENT.—In addition to such other means of enforcing the requirements of this title as may be available to the Secretary, if a proprietary institution of higher education fails to meet a requirement of subsection (a)(24) for any institutional fiscal year, then the institution's eligibility to participate in the programs authorized by this title becomes provisional for the two institutional fiscal years after the institutional fiscal year in which the institution failed to meet the requirement of subsection (a)(24), except that such provisional eligibility shall terminate—

[(i) on the expiration date of the institution's program participation agreement under this subsection that is in effect on the date the Secretary determines that the institution failed to meet the requirement of subsection (a)(24); or

[(ii) in the case that the Secretary determines that the institution failed to meet a requirement of subsection (a)(24) for two consecutive institutional fiscal years, on the date the institution is determined ineligible in accordance with subparagraph (A).

[(3) PUBLICATION ON COLLEGE NAVIGATOR WEBSITE.—The Secretary shall publicly disclose on the College Navigator website—

[(A) the identity of any proprietary institution of higher education that fails to meet a requirement of subsection (a)(24); and

[(B) the extent to which the institution failed to meet such requirement.

[(4) REPORT TO CONGRESS.—Not later than July 1, 2009, and July 1 of each succeeding year, the Secretary shall submit to the authorizing committees a report that contains, for each proprietary institution of higher education that receives assistance under this title, as provided in the audited financial statements submitted to the Secretary by each institution pursuant to the requirements of subsection (a)(24)—

[(A) the amount and percentage of such institution's revenues received from sources under this title; and

[(B) the amount and percentage of such institution's revenues received from other sources.]

[(e)] (d) CODE OF CONDUCT REQUIREMENTS.—An institution of higher education's code of conduct, as required under subsection (a)(25), shall include the following requirements:

(1) BAN ON REVENUE-SHARING ARRANGEMENTS.—

(A) PROHIBITION.—The institution shall not enter into any revenue-sharing arrangement with any lender.

(B) DEFINITION.—For purposes of this paragraph, the term "revenue-sharing arrangement" means an arrangement between an institution and a lender under which—

(i) a lender provides or issues a loan that is made, insured, or guaranteed under this title to students attending the institution or to the families of such students; and

(ii) the institution recommends the lender or the loan products of the lender and in exchange, the lend-

er pays a fee or provides other material benefits, including revenue or profit sharing, to the institution, an officer or employee of the institution, or an agent.

(2) GIFT BAN.—

(A) PROHIBITION.—No officer or employee of the institution who is employed in the financial aid office of the institution or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.

(B) DEFINITION OF GIFT.—

(i) IN GENERAL.—In this paragraph, the term “gift” means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

(ii) EXCEPTIONS.—The term “gift” shall not include any of the following:

(I) Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.

(II) Food, refreshments, training, or informational material furnished to an officer or employee of an institution, or to an agent, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to the institution, if such training contributes to the professional development of the officer, employee, or agent.

(III) Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the institution if such terms, conditions, or benefits are comparable to those provided to all students of the institution.

(IV) Entrance and exit counseling services provided to borrowers to meet the institution’s responsibilities for entrance and exit counseling as required by subsections (b) and (l) of section 485, as long as—

(aa) the institution’s staff are in control of the counseling, (whether in person or via electronic capabilities); and

(bb) such counseling does not promote the products or services of any specific lender.

(V) Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.

(VI) State education grants, scholarships, or financial aid funds administered by or on behalf of a State.

(iii) **RULE FOR GIFTS TO FAMILY MEMBERS.**—For purposes of this paragraph, a gift to a family member of an officer or employee of an institution, to a family member of an agent, or to any other individual based on that individual's relationship with the officer, employee, or agent, shall be considered a gift to the officer, employee, or agent if—

(I) the gift is given with the knowledge and acquiescence of the officer, employee, or agent; and

(II) the officer, employee, or agent has reason to believe the gift was given because of the official position of the officer, employee, or agent.

(3) **CONTRACTING ARRANGEMENTS PROHIBITED.**—

(A) **PROHIBITION.**—An officer or employee who is employed in the financial aid office of the institution or who otherwise has responsibilities with respect to education loans, or an agent who has responsibilities with respect to education loans, shall not accept from any lender or affiliate of any lender any fee, payment, or other financial benefit (including the opportunity to purchase stock) as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender relating to education loans.

(B) **EXCEPTIONS.**—Nothing in this subsection shall be construed as prohibiting—

(i) an officer or employee of an institution who is not employed in the institution's financial aid office and who does not otherwise have responsibilities with respect to education loans, or an agent who does not have responsibilities with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans;

(ii) an officer or employee of the institution who is not employed in the institution's financial aid office but who has responsibility with respect to education loans as a result of a position held at the institution, or an agent who has responsibility with respect to education loans, from performing paid or unpaid service on a board of directors of a lender, guarantor, or servicer of education loans, if the institution has a written conflict of interest policy that clearly sets forth that officers, employees, or agents must recuse themselves from participating in any decision of the board regarding education loans at the institution; or

(iii) an officer, employee, or contractor of a lender, guarantor, or servicer of education loans from serving on a board of directors, or serving as a trustee, of an institution, if the institution has a written conflict of interest policy that the board member or trustee must recuse themselves from any decision regarding education loans at the institution.

(4) INTERACTION WITH BORROWERS.—The institution shall not—

(A) for any first-time borrower, assign, through award packaging or other methods, the borrower's loan to a particular lender; or

(B) refuse to certify, or delay certification of, any loan based on the borrower's selection of a particular lender or guaranty agency.

(5) PROHIBITION ON OFFERS OF FUNDS FOR PRIVATE LOANS.—

(A) PROHIBITION.—The institution shall not request or accept from any lender any offer of funds to be used for private education loans (as defined in section 140 of the Truth in Lending Act), including funds for an opportunity pool loan, to students in exchange for the institution providing concessions or promises regarding providing the lender with—

(i) a specified number of loans made, insured, or guaranteed under this title;

(ii) a specified loan volume of such loans; or

(iii) a preferred lender arrangement for such loans.

(B) DEFINITION OF OPPORTUNITY POOL LOAN.—In this paragraph, the term “opportunity pool loan” means a private education loan made by a lender to a student attending the institution or the family member of such a student that involves a payment, directly or indirectly, by such institution of points, premiums, additional interest, or financial support to such lender for the purpose of such lender extending credit to the student or the family.

(6) BAN ON STAFFING ASSISTANCE.—

(A) PROHIBITION.—The institution shall not request or accept from any lender any assistance with call center staffing or financial aid office staffing.

(B) CERTAIN ASSISTANCE PERMITTED.—Nothing in paragraph (1) shall be construed to prohibit the institution from requesting or accepting assistance from a lender related to—

(i) professional development training for financial aid administrators;

(ii) providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any lender that assisted in preparing or providing such materials; or

(iii) staffing services on a short-term, nonrecurring basis to assist the institution with financial aid-related functions during emergencies, including State-declared or federally declared natural disasters, federally declared national disasters, and other localized disasters and emergencies identified by the Secretary.

(7) ADVISORY BOARD COMPENSATION.—Any employee who is employed in the financial aid office of the institution, or who otherwise has responsibilities with respect to education loans or other student financial aid of the institution, and who serves on an advisory board, commission, or group established by a lender, guarantor, or group of lenders or guarantors, shall be

prohibited from receiving anything of value from the lender, guarantor, or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses incurred in serving on such advisory board, commission, or group.

[(f)] (e) INSTITUTIONAL REQUIREMENTS FOR TEACH-OUTS.—

(1) **IN GENERAL.**—In the event the Secretary initiates the limitation, suspension, or termination of the participation of an institution of higher education in any program under this title under the authority of subsection (c)(1)(F) or initiates an emergency action under the authority of subsection (c)(1)(G) and its prescribed regulations, the Secretary shall require that institution to prepare a teach-out plan for submission to the institution’s accrediting agency or association in compliance with section 496(c)(3), the Secretary’s regulations on teach-out plans, and the standards of the institution’s accrediting agency or association.

(2) **TEACH-OUT PLAN DEFINED.**—In this subsection, the term “teach-out plan” means a written plan that provides for the equitable treatment of students if an institution of higher education ceases to operate before all students have completed their program of study, and may include, if required by the institution’s accrediting agency or association, an agreement between institutions for such a teach-out plan.

[(g)] (f) INSPECTOR GENERAL REPORT ON GIFT BAN VIOLATIONS.—The Inspector General of the Department shall—

(1) submit an annual report to the authorizing committees identifying all violations of an institution’s code of conduct that the Inspector General has substantiated during the preceding year relating to the gift ban provisions described in subsection (e)(2); and

(2) make the report available to the public through the Department’s website.

[(h)] (g) PREFERRED LENDER LIST REQUIREMENTS.—

(1) **IN GENERAL.**—In compiling, maintaining, and making available a preferred lender list as required under subsection (a)(27), the institution will—

(A) clearly and fully disclose on such preferred lender list—

(i) not less than the information required to be disclosed under section 153(a)(2)(A); *and*

[(ii) why the institution has entered into a preferred lender arrangement with each lender on the preferred lender list, particularly with respect to terms and conditions or provisions favorable to the borrower; and]

[(iii) (ii) that the students attending the institution, or the families of such students, do not have to borrow from a lender on the preferred lender list;

(B) ensure, through the use of the list of lender affiliates provided by the Secretary under paragraph (2), that—

(i) there are not less than three lenders of loans made under part B that are not affiliates of each other included on the preferred lender list and, if the institution recommends, promotes, or endorses private education loans, there are not less than two lenders of pri-

vate education loans that are not affiliates of each other included on the preferred lender list; and

(ii) the preferred lender list under this paragraph—

(I) specifically indicates, for each listed lender, whether the lender is or is not an affiliate of each other lender on the preferred lender list; and

(II) if a lender is an affiliate of another lender on the preferred lender list, describes the details of such affiliation;

[(C) prominently disclose the method and criteria used by the institution in selecting lenders with which to enter into preferred lender arrangements to ensure that such lenders are selected on the basis of the best interests of the borrowers, including—

[(i) payment of origination or other fees on behalf of the borrower;

[(ii) highly competitive interest rates, or other terms and conditions or provisions of loans under this title or private education loans;

[(iii) high-quality servicing for such loans; or

[(iv) additional benefits beyond the standard terms and conditions or provisions for such loans;]

[(D) (C) exercise a duty of care and a duty of loyalty to compile the preferred lender list under this paragraph without prejudice and for the sole benefit of the students attending the institution, or the families of such students; and

[(E) (D) not deny or otherwise impede the borrower's choice of a lender or cause unnecessary delay in loan certification under this title for those borrowers who choose a lender that is not included on the preferred lender list; and].

[(F) comply with such other requirements as the Secretary may prescribe by regulation.]

(2) LENDER AFFILIATES LIST.—

(A) IN GENERAL.—The Secretary shall maintain and regularly update a list of lender affiliates of all eligible lenders, and shall provide such list to institutions for use in carrying out paragraph (1)(B).

(B) USE OF MOST RECENT LIST.—An institution shall use the most recent list of lender affiliates provided by the Secretary under subparagraph (A) in carrying out paragraph (1)(B).

[(i) (h) DEFINITIONS.—For the purpose of this section:

(1) AGENT.—The term “agent” has the meaning given the term in section 151.

(2) AFFILIATE.—The term “affiliate” means a person that controls, is controlled by, or is under common control with another person. A person controls, is controlled by, or is under common control with another person if—

(A) the person directly or indirectly, or acting through one or more others, owns, controls, or has the power to vote five percent or more of any class of voting securities of such other person;

(B) the person controls, in any manner, the election of a majority of the directors or trustees of such other person; or

(C) the Secretary determines (after notice and opportunity for a hearing) that the person directly or indirectly exercises a controlling interest over the management or policies of such other person's education loans.

(3) EDUCATION LOAN.—The term “education loan” has the meaning given the term in section 151.

(4) ELIGIBLE INSTITUTION.—The term “eligible institution” means any such institution described in [section 102] *section 101 or 102* of this Act.

(5) OFFICER.—The term “officer” has the meaning given the term in section 151.

(6) PREFERRED LENDER ARRANGEMENT.—The term “preferred lender arrangement” has the meaning given the term in section 151.

[(j)] (i) CONSTRUCTION.—Nothing in the amendments made by the Higher Education Amendments of 1992 shall be construed to prohibit an institution from recording, at the cost of the institution, a hearing referred to in subsection (b)(2), subsection (c)(1)(D), or subparagraph (A) or (B)(i) of subsection (c)(2), of this section to create a record of the hearing, except the unavailability of a recording shall not serve to delay the completion of the proceeding. The Secretary shall allow the institution to use any reasonable means, including stenographers, of recording the hearing.

SEC. 487A. REGULATORY RELIEF AND IMPROVEMENT.

(a) QUALITY ASSURANCE PROGRAM.—

(1) IN GENERAL.—[The Secretary is authorized to] *The Secretary shall* select institutions for voluntary participation in a Quality Assurance Program that provides participating institutions with an alternative management approach through which individual schools develop and implement their own comprehensive systems, related to processing and disbursement of student financial aid, verification of student financial aid application data, and entrance and exit interviews, thereby enhancing program integrity within the student aid delivery system.

(2) CRITERIA AND CONSIDERATION.—The Quality Assurance Program authorized by this section shall be based on criteria that include demonstrated institutional performance, as determined by the Secretary, and shall take into consideration current quality assurance goals, as determined by the Secretary. The selection criteria shall ensure the participation of a diverse group of institutions of higher education with respect to size, mission, and geographical distribution.

(3) WAIVER.—The Secretary is authorized to waive for any institution participating in the Quality Assurance Program any regulations dealing with reporting or verification requirements in this title that are addressed by the institution's alternative management system, and may substitute such quality assurance reporting as the Secretary determines necessary to ensure accountability and compliance with the purposes of the programs under this title. The Secretary shall not modify or waive any statutory requirements pursuant to this paragraph.

(4) DETERMINATION.—The Secretary is authorized to determine—

(A) when an institution that is unable to administer the Quality Assurance Program shall be removed from such program; and

(B) when institutions desiring to cease participation in such program will be required to complete the current award year under the requirements of the Quality Assurance Program.

(5) REVIEW AND EVALUATION.—The Secretary shall review and evaluate the Quality Assurance Program conducted by each participating institution and, on the basis of that evaluation, make recommendations regarding amendments to this Act that will streamline the administration and enhance the integrity of Federal student assistance programs. Such recommendations shall be submitted to the authorizing committees *at least once every two years.*

(b) REGULATORY IMPROVEMENT AND STREAMLINING EXPERIMENTS.—

[(1) IN GENERAL.—The Secretary shall continue the voluntary participation of any experimental sites in existence as of July 1, 2007, unless the Secretary determines that such site's participation has not been successful in carrying out the purposes of this section. Any experimental sites approved by the Secretary prior to such date that have not been successful in carrying out the purposes of this section shall be discontinued not later than June 30, 2010.]

[(2)] ANNUAL REPORT.—(1) [The Secretary shall review and evaluate the experience of institutions participating as experimental sites and shall, on a biennial basis, submit a report based on the review and evaluation to the authorizing committees.] *The Secretary shall review the experience, and rigorously evaluate the activities, of all institutions participating as experimental sites and shall, on an annual basis, submit a report based on the review and evaluation findings to the authorizing committees.* Such report shall include—

(A) a list of participating institutions and the specific statutory or regulatory waivers granted to each institution;

(B) the findings and conclusions reached regarding each of the experiments conducted; and

(C) recommendations for amendments to improve and streamline this Act, based on the results of the experiment.

[(3)] (2) SELECTION.—

[(A) IN GENERAL.—The Secretary is authorized to periodically select a limited number of additional institutions for voluntary participation as experimental sites to provide recommendations to the Secretary on the impact and effectiveness of proposed regulations or new management initiatives.]

(A) IN GENERAL.—

(i) EXPERIMENTAL SITES.—*The Secretary is authorized periodically to select a limited number of institutions for voluntary participation as experimental sites to provide recommendations to the Secretary and to the*

Congress on the impact and effectiveness of proposed regulations or new management initiatives.

(ii) CONGRESSIONAL NOTICE AND COMMENTS REQUIRED.—

(I) NOTICE.—*Prior to announcing a new experimental site and inviting institutions to participate, the Secretary shall provide to the authorizing committees a notice that shall include—*

(aa) *a description of the proposed experiment and rationale for the proposed experiment; and*

(bb) *a list of the institutional requirements the Secretary expects to waive and the legal authority for such waivers.*

(II) CONGRESSIONAL COMMENTS.—*The Secretary shall not proceed with announcing a new experimental site and inviting institutions to participate until 10 days after the Secretary—*

(aa) *receives and addresses all comments from the authorizing committees; and*

(bb) *responds to such committees in writing with an explanation of how such comments have been addressed.*

(iii) PROHIBITION.—*The Secretary is not authorized to carry out clause (i) in any year in which an annual report described in paragraph (2) relating to the previous year is not submitted to the authorizing committees.*

(B) WAIVERS.—*The Secretary is authorized to waive, for any institution participating as an experimental site under subparagraph (A), any requirements in this title, including requirements related to the award process and disbursement of student financial aid (such as innovative delivery systems for modular or compressed courses, or other innovative systems), verification of student financial aid application data, entrance and exit interviews, or other management procedures or processes as determined in the negotiated rulemaking process under section 492, or regulations prescribed under this title, that will bias the results of the experiment, except that the Secretary shall not waive any provisions with respect to award rules (other than an award rule related to an experiment in modular or compressed schedules), grant and loan maximum award amounts, and need analysis requirements unless the waiver of such provisions is authorized by another provision under this title.*

[(4)] (3) DETERMINATION OF SUCCESS.—*For the purposes of paragraph (1), the Secretary shall make a determination of success regarding an institution's participation as an experimental site based on—*

(A) *the ability of the experimental site to reduce administrative burdens to the institution, as documented in the Secretary's [biennial] annual report under paragraph (2), without creating costs for the taxpayer; and*

(B) whether the experimental site has improved the delivery of services to, or otherwise benefitted, students.

(c) DEFINITIONS.—For purposes of this section, the term “current award year” means the award year during which the participating institution indicates the institution’s intention to cease participation.

* * * * *

SEC. 488. TRANSFER OF ALLOTMENTS.

In order to offer an arrangement of types of aid, including institutional and State aid which best fits the needs of each individual student, an institution may (1) transfer a total of 25 percent of the institutions allotment under section 462, *as in effect on the day before the date of enactment of the PROSPER Act*, to the institution’s allotment under section 413D or 442 (or both); (2) transfer 25 percent of the institution’s allotment under section 442 to the institution’s allotment under section 413D or 462, *as in effect on the day before the date of enactment of the PROSPER Act*, (or both); and (3) transfer 25 percent of the institution’s allotment under section 413D to the institution’s allotment under section 442. Funds transferred to an institution’s allotment under another section may be used as a part of and for the same purposes as funds allotted under that section. The Secretary shall have no control over such transfer, except as specifically authorized, except for the collection and dissemination of information.

* * * * *

SEC. 489. ADMINISTRATIVE EXPENSES.

(a) AMOUNT OF PAYMENTS.—From the sums appropriated for any fiscal year for the purpose of the program authorized under subpart 1 of part A, the Secretary shall reserve such sums as may be necessary to pay to each institution with which he has an agreement under section 487, an amount equal to \$5 for each student at that institution who receives assistance under subpart 1 of part A. In addition, an institution which has entered into an agreement with the Secretary under ~~subpart 3 of part A or part C,~~ *part C* of this title ~~or under part E of this title~~ shall be entitled for each fiscal year which such institution disburses funds to eligible students under any such part to a payment for the purpose set forth in subsection (b). The payment for a fiscal year shall be payable from each such allotment by payment in accordance with regulations of the Secretary and shall be equal to 5 percent of the institution’s first \$2,750,000 of expenditures plus 4 percent of the institution’s expenditures greater than \$2,750,000 and less than \$5,500,000, plus 3 percent of the institution’s expenditures in excess of \$5,500,000 during the fiscal year from the sum of ~~its grants to students under subpart 3 of part A,~~ its expenditures during such fiscal year under *part C* for compensation of students~~, and the principal amount of loans made during such fiscal year from its student loan fund established under part E, excluding the principal amount of any such loans which the institution has referred under section 463(a)(4)(B)~~. In addition, the Secretary shall provide for payment to each institution of higher education an amount equal to 100 percent of the costs incurred by the institution in imple-

menting and operating the immigration status verification system under section 484(g).

(b) PURPOSE OF PAYMENTS.—(1) The sums paid to institutions under this part are for the sole purpose of administering the programs described in subsection (a).

(2) If the institution enrolls a significant number of students who are (A) attending the institution less than full time, or (B) independent students, the institution shall use a reasonable proportion of the funds available under this section for financial aid services during times and in places that will most effectively accommodate the needs of such students.

* * * * *

[SEC. 491. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.

[(a) ESTABLISHMENT AND PURPOSE.—(1) There is established in the Department an independent Advisory Committee on Student Financial Assistance (hereafter in this section referred to as the “Advisory Committee”) which shall provide advice and counsel to the authorizing committees and to the Secretary on student financial aid matters.

[(2) The purpose of the Advisory Committee is—

[(A) to provide extensive knowledge and understanding of the Federal, State, and institutional programs of postsecondary student assistance;

[(B) to provide technical expertise with regard to systems of needs analysis and application forms;

[(C) to make recommendations that will result in the maintenance of access to postsecondary education for low- and middle-income students;

[(D) to provide knowledge and understanding of early intervention programs, and to make recommendations that will result in early awareness by low- and moderate-income students and families—

[(i) of their eligibility for assistance under this title; and

[(ii) to the extent practicable, of their eligibility for other forms of State and institutional need-based student assistance;

[(E) to make recommendations that will expand and improve partnerships among the Federal Government, States, institutions of higher education, and private entities to increase the awareness and the total amount of need-based student assistance available to low- and moderate-income students; and

[(F) to collect information on Federal regulations, and on the impact of Federal regulations on student financial assistance and on the cost of receiving a postsecondary education, and to make recommendations to help streamline the regulations for institutions of higher education from all sectors.

[(b) INDEPENDENCE OF ADVISORY COMMITTEE.—In the exercise of its functions, powers, and duties, the Advisory Committee shall be independent of the Secretary and the other offices and officers of the Department. Notwithstanding Department of Education policies and regulations, the Advisory Committee shall exert independent control of its budget allocations, expenditures and staffing levels, personnel decisions and processes, procurements, and other

administrative and management functions. The Advisory Committee's administration and management shall be subject to the usual and customary Federal audit procedures. Reports, publications, and other documents of the Advisory Committee, including such reports, publications, and documents in electronic form, shall not be subject to review by the Secretary. Notwithstanding Department of Education policies and regulations, the Advisory Committee shall exert independent control of its budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions. The Advisory Committee's administration and management shall be subject to the usual and customary Federal audit procedures. The recommendations of the Committee shall not be subject to review or approval by any officer in the executive branch, but may be submitted to the Secretary for comment prior to submission to the authorizing committees in accordance with subsection (f). The Secretary's authority to terminate advisory committees of the Department pursuant to section 448(b) of the General Education Provisions Act ceased to be effective on June 23, 1983.

[(c) MEMBERSHIP.—(1) The Advisory Committee shall consist of 11 members appointed as follows:

[(A) Four members shall be appointed by the President pro tempore of the Senate, of whom two members shall be appointed from recommendations by the Majority Leader of the Senate, and two members shall be appointed from recommendations by the Minority Leader of the Senate.

[(B) Four members shall be appointed by the Speaker of the House of Representatives, of whom two members shall be appointed from recommendations by the Majority Leader of the House of Representatives, and two members shall be appointed from recommendations by the Minority Leader of the House of Representatives.

[(C) Three members shall be appointed by the Secretary, of whom at least one member shall be a student.

[(2) Each member of the Advisory Committee, with the exception of a student member, shall be appointed on the basis of technical qualifications, professional experience, and demonstrated knowledge in the fields of higher education, student financial aid, financing post-secondary education, and the operations and financing of student loan guarantee agencies.

[(3) The appointment of a member under subparagraph (A) or (B) of paragraph (1) shall be effective upon publication of such appointment in the Congressional Record.

[(d) FUNCTIONS OF THE COMMITTEE.—The Advisory Committee shall—

[(1) develop, review, and comment annually upon the system of needs analysis established under part F of this title;

[(2) monitor, apprise, and evaluate the effectiveness of student aid delivery and recommend improvements;

[(3) recommend data collection needs and student information requirements which would improve access and choice for eligible students under this title and assist the Department of Education in improving the delivery of student aid;

[(4) assess the impact of legislative and administrative policy proposals;

[(5) review and comment upon, prior to promulgation, all regulations affecting programs under this title, including proposed regulations;

[(6) recommend to the authorizing committees and to the Secretary such studies, surveys, and analyses of student financial assistance programs, policies, and practices, including the special needs of low-income, disadvantaged, and nontraditional students, and the means by which the needs may be met;

[(7) review and comment upon standards by which financial need is measured in determining eligibility for Federal student assistance programs;

[(8) appraise the adequacies and deficiencies of current student financial aid information resources and services and evaluate the effectiveness of current student aid information programs;

[(9) provide an annual report to the authorizing committees that provides analyses and policy recommendations regarding—

[(A) the adequacy of need-based grant aid for low- and moderate-income students; and

[(B) the postsecondary enrollment and graduation rates of low- and moderate-income students;

[(10) develop and maintain an information clearinghouse to help institutions of higher education understand the regulatory impact of the Federal Government on institutions of higher education from all sectors, in order to raise awareness of institutional legal obligations and provide information to improve compliance with, and to reduce the duplication and inefficiency of, Federal regulations; and

[(11) make special efforts to advise Members of Congress and such Members' staff of the findings and recommendations made pursuant to this paragraph.

[(e) OPERATIONS OF THE COMMITTEE.—(1) Each member of the Advisory Committee shall be appointed for a term of 4 years, except that, of the members first appointed—

[(A) 4 shall be appointed for a term of 1 year;

[(B) 4 shall be appointed for a term of 2 years; and

[(C) 3 shall be appointed for a term of 3 years,

as designated at the time of appointment by the Secretary.

[(2) Any member appointed to fill a vacancy occurring prior to the expiration of the term of a predecessor shall be appointed only for the remainder of such term. A member of the Advisory Committee serving on the date of enactment of the Higher Education Opportunity Act shall be permitted to serve the duration of the member's term, regardless of whether the member was previously appointed to more than one term.

[(3) No officers or full-time employees of the Federal Government shall serve as members of the Advisory Committee.

[(4) The Advisory Committee shall elect a Chairman and a Vice Chairman from among its members.

[(5) Six members of the Advisory Committee shall constitute a quorum.

[(6) The Advisory Committee shall meet at the call of the Chairman or a majority of its members.

[(f) SUBMISSION TO DEPARTMENT FOR COMMENT.—The Advisory Committee may submit its proposed recommendations to the Department of Education for comment for a period not to exceed 30 days in each instance.

[(g) COMPENSATION AND EXPENSES.—Members of the Advisory Committee may each receive reimbursement for travel expenses incident to attending Advisory Committee meetings, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

[(h) PERSONNEL AND RESOURCES.—(1) The Advisory Committee may appoint such personnel as may be determined necessary by the Chairman without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall be paid in excess of the rate authorized for GS-18 of the General Schedule. The Advisory Committee may appoint not more than 1 full-time equivalent, nonpermanent, consultant without regard to the provisions of title 5, United States Code. The Advisory Committee shall not be required by the Secretary to reduce personnel to meet agency personnel reduction goals.

[(2) In carrying out its duties under the Act, the Advisory Committee shall consult with other Federal agencies, representatives of State and local governments, and private organizations to the extent feasible.

[(3)(A) The Advisory Committee is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this section and each such department, bureau, agency, board, commission, office, independent establishment, or instrumentality is authorized and directed, to the extent permitted by law, to furnish such information, suggestions, estimates, and statistics directly to the Advisory Committee, upon request made by the Chairman.

[(B) The Advisory Committee may enter into contracts for the acquisition of information, suggestions, estimates, and statistics for the purpose of this section.

[(4) The Advisory Committee is authorized to obtain the services of experts and consultants without regard to section 3109 of title 5, United States Code and to set pay in accordance with such section.

[(5) The head of each Federal agency shall, to the extent not prohibited by law, cooperate with the Advisory Committee in carrying out this section.

[(6) The Advisory Committee is authorized to utilize, with their consent, the services, personnel, information, and facilities of other Federal, State, local, and private agencies with or without reimbursement.

[(i) AVAILABILITY OF FUNDS.—In each fiscal year not less than \$800,000, shall be available from the amount appropriated for each such fiscal year from salaries and expenses of the Department for the costs of carrying out the provisions of this section.

[(j) SPECIAL ANALYSES AND ACTIVITIES.—The Advisory Committee shall—

[(1) monitor and evaluate the modernization of student financial aid systems and delivery processes and simplifications, including recommendations for improvement;

[(2) assess the adequacy of current methods for disseminating information about programs under this title and recommend improvements, as appropriate, regarding early needs assessment and information for first-year secondary school students;

[(3) assess and make recommendations concerning the feasibility and degree of use of appropriate technology in the application for, and delivery and management of, financial assistance under this title, as well as policies that promote use of such technology to reduce cost and enhance service and program integrity, including electronic application and reapplication, just-in-time delivery of funds, reporting of disbursements and reconciliation;

[(4) conduct a review and analysis of regulations in accordance with subsection (l); and

[(5) conduct a study in accordance with subsection (m).

[(k) TERM OF THE COMMITTEE.—Notwithstanding the sunset and charter provisions of the Federal Advisory Committee Act (5 U.S.C. App. I) or any other statute or regulation, the Advisory Committee shall be authorized until October 1, 2015.

[(l) REVIEW AND ANALYSIS OF REGULATIONS.—

[(1) RECOMMENDATIONS.—The Advisory Committee shall make recommendations to the Secretary and the authorizing committees for consideration of future legislative action regarding redundant or outdated regulations consistent with the Secretary's requirements under section 498B.

[(2) REVIEW AND ANALYSIS OF REGULATIONS.—

[(A) REVIEW OF CURRENT REGULATIONS.—To meet the requirements of subsection (d)(10), the Advisory Committee shall conduct a review and analysis of the regulations issued by Federal agencies that are in effect at the time of the review and that apply to the operations or activities of institutions of higher education from all sectors. The review and analysis may include a determination of whether the regulation is duplicative, is no longer necessary, is inconsistent with other Federal requirements, or is overly burdensome. In conducting the review, the Advisory Committee shall pay specific attention to evaluating ways in which regulations under this title affecting institutions of higher education (other than institutions described in section 102(a)(1)(C)), that have received in each of the two most recent award years prior to the date of enactment of the Higher Education Opportunity Act less than \$200,000 in funds through this title, may be improved, streamlined, or eliminated.

[(B) REVIEW AND COLLECTION OF FUTURE REGULATIONS.—The Advisory Committee shall—

[(i) monitor all Federal regulations, including notices of proposed rulemaking, for their impact or potential impact on higher education; and

[(ii) provide a succinct description of each regulation or proposed regulation that is generally relevant to institutions of higher education from all sectors.

[(C) MAINTENANCE OF PUBLIC WEBSITE.—The Advisory Committee shall develop and maintain an easy to use, searchable, and regularly updated website that—

[(i) provides information collected in subparagraph (B);

[(ii) provides an area for the experts and members of the public to provide recommendations for ways in which the regulations may be streamlined; and

[(iii) publishes the study conducted by the National Research Council of the National Academy of Sciences under section 1106 of the Higher Education Opportunity Act.

[(3) CONSULTATION.—

[(A) IN GENERAL.—In carrying out the review, analysis, and development of the website required under paragraph (2), the Advisory Committee shall consult with the Secretary, other Federal agencies, relevant representatives of institutions of higher education, individuals who have expertise and experience with Federal regulations, and the review panels described in subparagraph (B).

[(B) REVIEW PANELS.—The Advisory Committee shall convene not less than two review panels of representatives of the groups involved in higher education, including individuals involved in student financial assistance programs under this title, who have experience and expertise in the regulations issued by the Federal Government that affect all sectors of higher education, in order to review the regulations and to provide recommendations to the Advisory Committee with respect to the review and analysis under paragraph (2). The panels shall be made up of experts in areas such as the operations of the financial assistance programs, the institutional eligibility requirements for the financial assistance programs, regulations not directly related to the operations or the institutional eligibility requirements of the financial assistance programs, and regulations for dissemination of information to students about the financial assistance programs.

[(4) PERIODIC UPDATES TO THE AUTHORIZING COMMITTEES.—The Advisory Committee shall—

[(A) submit, not later than two years after the completion of the negotiated rulemaking process required under section 492 resulting from the amendments to this Act made by the Higher Education Opportunity Act, a report to the authorizing committees and the Secretary detailing the review panels' findings and recommendations with respect to the review of regulations; and

[(B) provide periodic updates to the authorizing committees regarding—

[(i) the impact of all Federal regulations on all sectors of higher education; and

[(ii) suggestions provided through the website for streamlining or eliminating duplicative regulations.

[(5) ADDITIONAL SUPPORT.—The Secretary and the Inspector General of the Department shall provide such assistance and resources to the Advisory Committee as the Secretary and Inspector General determine are necessary to conduct the review and analysis required by this subsection.

[(m) STUDY OF INNOVATIVE PATHWAYS TO BACCALAUREATE DEGREE ATTAINMENT.—

[(1) STUDY REQUIRED.—The Advisory Committee shall conduct a study of the feasibility of increasing baccalaureate degree attainment rates by reducing the costs and financial barriers to attaining a baccalaureate degree through innovative programs.

[(2) SCOPE OF STUDY.—The Advisory Committee shall examine new and existing programs that promote baccalaureate degree attainment through innovative ways, such as dual or concurrent enrollment programs, changes made to the Federal Pell Grant program, simplification of the needs analysis process, compressed or modular scheduling, articulation agreements, and programs that allow two-year institutions of higher education to offer baccalaureate degrees.

[(3) REQUIRED ASPECTS OF THE STUDY.—In performing the study described in this subsection, the Advisory Committee shall examine the following aspects of such innovative programs:

[(A) The impact of such programs on baccalaureate attainment rates.

[(B) The degree to which a student's total cost of attaining a baccalaureate degree can be reduced by such programs.

[(C) The ways in which low- and moderate-income students can be specifically targeted by such programs.

[(D) The ways in which nontraditional students can be specifically targeted by such programs.

[(E) The cost-effectiveness for the Federal Government, States, and institutions of higher education to implement such programs.

[(4) CONSULTATION.—

[(A) IN GENERAL.—In performing the study described in this subsection, the Advisory Committee shall consult with a broad range of interested parties in higher education, including parents, students, appropriate representatives of secondary schools and institutions of higher education, appropriate State administrators, administrators of dual or concurrent enrollment programs, and appropriate Department officials.

[(B) CONSULTATION WITH THE AUTHORIZING COMMITTEES.—The Advisory Committee shall consult on a regular basis with the authorizing committees in carrying out the study required by this subsection.

[(5) REPORTS TO AUTHORIZING COMMITTEES.—

[(A) INTERIM REPORT.—The Advisory Committee shall prepare and submit to the authorizing committees and the Secretary an interim report, not later than one year after the date of enactment of the Higher Education Opportunity Act, describing the progress made in conducting the

study required by this subsection and any preliminary findings on the topics identified under paragraph (2).

[(B) FINAL REPORT.—The Advisory Committee shall, not later than three years after the date of enactment of the Higher Education Opportunity Act, prepare and submit to the authorizing committees and the Secretary a final report on the study, including recommendations for legislative, regulatory, and administrative changes based on findings related to the topics identified under paragraph (2).]

SEC. 492. REGIONAL MEETINGS AND NEGOTIATED RULEMAKING.

[(a) MEETINGS.—

[(1) IN GENERAL.—The Secretary shall obtain public involvement in the development of proposed regulations for this title. The Secretary shall obtain the advice of and recommendations from individuals and representatives of the groups involved in student financial assistance programs under this title, such as students, legal assistance organizations that represent students, institutions of higher education, State student grant agencies, guaranty agencies, lenders, secondary markets, loan servicers, guaranty agency servicers, and collection agencies.

[(2) ISSUES.—The Secretary shall provide for a comprehensive discussion and exchange of information concerning the implementation of this title through such mechanisms as regional meetings and electronic exchanges of information. The Secretary shall take into account the information received through such mechanisms in the development of proposed regulations and shall publish a summary of such information in the Federal Register together with such proposed regulations.

[(b) DRAFT REGULATIONS.—

[(1) IN GENERAL.—After obtaining the advice and recommendations described in subsection (a)(1) and before publishing proposed regulations in the Federal Register, the Secretary shall prepare draft regulations implementing this title and shall submit such regulations to a negotiated rulemaking process. Participants in the negotiations process shall be chosen by the Secretary from individuals nominated by groups described in subsection (a)(1), and shall include both representatives of such groups from Washington, D.C., and industry participants. The Secretary shall select individuals with demonstrated expertise or experience in the relevant subjects under negotiation, reflecting the diversity in the industry, representing both large and small participants, as well as individuals serving local areas and national markets. The negotiation process shall be conducted in a timely manner in order that the final regulations may be issued by the Secretary within the 360-day period described in section 437(e) of the General Education Provisions Act.

[(2) EXPANSION OF NEGOTIATED RULEMAKING.—All regulations pertaining to this title that are promulgated after the date of enactment of this paragraph shall be subject to a negotiated rulemaking (including the selection of the issues to be negotiated), unless the Secretary determines that applying such a requirement with respect to given regulations is impracticable, unnecessary, or contrary to the public interest (within the meaning of section 553(b)(3)(B) of title 5, United States

Code), and publishes the basis for such determination in the Federal Register at the same time as the proposed regulations in question are first published. All published proposed regulations shall conform to agreements resulting from such negotiated rulemaking unless the Secretary reopens the negotiated rulemaking process or provides a written explanation to the participants in that process why the Secretary has decided to depart from such agreements. Such negotiated rulemaking shall be conducted in accordance with the provisions of paragraph (1), and the Secretary shall ensure that a clear and reliable record of agreements reached during the negotiations process is maintained.】

(a) *IN GENERAL.*—*The Secretary may, in accordance with this section, issue such regulations as are reasonably necessary to ensure compliance with this title.*

(b) *PUBLIC INVOLVEMENT.*—*The Secretary shall obtain public involvement in the development of proposed regulations for this title. Before carrying out a negotiated rulemaking process as described in subsection (d) or publishing in the Federal Register proposed regulations to carry out this title, the Secretary shall obtain advice and recommendations from individuals, and representatives of groups, involved in student financial assistance programs under this title, such as students, institutions of higher education, financial aid administrators, accrediting agencies or associations, State student grant agencies, guaranty agencies, lenders, secondary markets, loan servicers, guaranty agency servicers, and collection agencies.*

(c) *MEETINGS AND ELECTRONIC EXCHANGE.*—

(1) *IN GENERAL.*—*The Secretary shall provide for a comprehensive discussion and exchange of information concerning the implementation of this title through such mechanisms as regional meetings and electronic exchanges of information. Such regional meetings and electronic exchanges of information shall be public and notice of such meetings and exchanges shall be provided to—*

(A) *the authorizing committees at least 10 days prior to the notice to interested stakeholders and the public described in subparagraph (B); and*

(B) *interested stakeholders and the public at least 30 days prior to such meetings and exchanges.*

(2) *CONSIDERATION.*—*The Secretary shall take into account the information received through such mechanisms in the development of proposed regulations and shall publish a summary of such information in the Federal Register prior to beginning the negotiated rulemaking process described in subsection (d).*

(d) *NEGOTIATED RULEMAKING PROCESS.*—

(1) *NEGOTIATED RULEMAKING REQUIRED.*—*All regulations pertaining to this title that are promulgated after the date of the enactment of this paragraph shall be subject to the negotiated rulemaking process described in this subsection (including the selection of the issues to be negotiated), unless the Secretary—*

(A) *determines that applying such a requirement with respect to given regulations is impracticable, unnecessary, or contrary to the public interest (within the meaning of section 553(b)(3)(B) of title 5, United States Code);*

(B) publishes the basis for such determination in the Federal Register at the same time as the proposed regulations in question are first published; and

(C) includes the basis for such determination in the congressional notice under subsection (e)(1).

(2) CONGRESSIONAL NOTICE AND COMMENTS REQUIRED.—

(A) NOTICE.—The Secretary shall provide to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate notice of the intent establish a negotiated rulemaking committee that shall include—

- (i) the need to issue regulations;
- (ii) the statutory and legal authority of the Secretary to regulate the issue;
- (iii) the summary of public comments described in paragraph (2) of subsection (c);
- (iv) the anticipated burden, including the time, cost, and paperwork burden, the regulations will have on institutions of higher education and other entities that may be impacted by the regulations; and
- (v) any regulations that will be repealed when the new regulations are issued.

(B) CONGRESSIONAL COMMENTS.—The Secretary shall not proceed with the negotiated rulemaking process—

- (i) until 10 days after the Secretary—
 - (I) receives and addresses all comments from the authorizing committees; and
 - (II) responds to the authorizing committees in writing with an explanation of how such comments have been addressed; or
- (ii) until 60 days after providing the notice required under subparagraph (A) if the Secretary has not received comments under clause (i).

(3) PROCESS.—After obtaining advice and recommendations under subsections (b) and (c), and before publishing proposed regulations, the Secretary shall—

- (A) establish a negotiated rulemaking process;
- (B) select individuals to participate in such process—
 - (i) from among individuals or groups that provided advice and recommendations under subsections (b) and (c), including—
 - (I) representatives of such groups from Washington, D.C.; and
 - (II) other industry participants; and
 - (ii) with demonstrated expertise or experience in the relevant subjects under negotiation, reflecting the diversity in the industry, representing both large and small participants, as well as individuals serving local areas and national markets;
- (C) prepare a draft of proposed policy options, which shall take into account comments received from both the public and the authorizing committees, that shall be provided to the individuals selected by the Secretary under subparagraph (B) and such authorizing committees not less

than 15 days before the first meeting under such process; and

(D) ensure that the negotiation process is conducted in a timely manner in order that the final regulations may be issued by the Secretary within the 360-day period described in section 437(e) of the General Education Provisions Act (20 U.S.C. 1232(e)).

(4) AGREEMENTS AND RECORDS.—

(A) AGREEMENTS.—All published proposed regulations developed through the negotiation process under this subsection shall conform to all agreements resulting from such process unless the Secretary reopens the negotiated rule-making process.

(B) RECORDS.—The Secretary shall ensure that a clear and reliable record is maintained of agreements reached during a negotiation process under this subsection.

(e) PROPOSED RULEMAKING.—If the Secretary determines pursuant to subsection (d)(1) that a negotiated rulemaking process is impracticable, unnecessary, or contrary to the public interest (within the meaning of section 553(b)(3)(B) of title 5, United States Code), or the individuals selected to participate in the process under subsection (d)(3)(B) fail to reach unanimous agreement on an issue being negotiated, the Secretary may propose regulations subject to subsection (f).

(f) REQUIREMENTS FOR PROPOSED REGULATIONS.—Regulations proposed pursuant to subsection (e) shall meet the following procedural requirements:

(1) CONGRESSIONAL NOTICE.—Regardless of whether congressional notice was submitted under subsection (d)(2), the Secretary shall provide to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate notice that shall include—

(A) a copy of the proposed regulations;

(B) the need to issue regulations;

(C) the statutory and legal authority of the Secretary to regulate the issue;

(D) the anticipated burden, including the time, cost, and paperwork burden, the regulations will have on institutions of higher education and other entities that may be impacted by the regulations; and

(E) any regulations that will be repealed when the new regulations are issued.

(2) CONGRESSIONAL COMMENTS.—The Secretary may not proceed with the rulemaking process—

(A) until 10 days after the Secretary—

(i) receives and addresses all comments from the authorizing committees; and

(ii) responds to the authorizing committees in writing with an explanation of how such comments have been addressed; or

(B) until 60 days after providing the notice required under paragraph (1) if the Secretary has not received comments under subparagraph (A).

(3) *COMMENT AND REVIEW PERIOD.*—The comment and review period for the proposed regulation shall be 90 days unless an emergency requires a shorter period, in which case such period shall be not less than 45 days and the Secretary shall—

(A) designate the proposed regulation as an emergency, with an explanation of the emergency, in the notice to the Congress under paragraph (1);

(B) publish the length of the comment and review period in such notice and in the *Federal Register*; and

(C) conduct immediately thereafter regional meetings to review such proposed regulation before issuing any final regulation.

(4) *INDEPENDENT ASSESSMENT.*—No regulation shall be made final after the comment and review period until the Secretary has published in the *Federal Register* an independent assessment (which shall include a representative sampling of institutions of higher education based on sector, enrollment, urban, suburban, or rural character, and other factors impacted by the regulation) of—

(A) the burden, including the time, cost, and paperwork burden, the final regulation will impose on institutions and other entities that may be impacted by the regulation;

(B) an explanation of how the entities described in subparagraph (A) may cover the cost of the burden assessed under such subparagraph; and

(C) the regulation, including a thorough assessment, based on the comments received during the comment and review period under paragraph (3), of whether the rule is financially, operationally, and educationally viable at the institutional level.

[(c)] (f) *APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.*—The Federal Advisory Committee Act shall not apply to activities carried out under this section.

[(d)] (g) *AUTHORIZATION OF APPROPRIATIONS.*—There are authorized to be appropriated in any fiscal year or made available from funds appropriated to carry out this part in any fiscal year such sums as may be necessary to carry out the provisions of this section, except that if no funds are appropriated pursuant to this subsection, the Secretary shall make funds available to carry out this section from amounts appropriated for the operations and expenses of the Department of Education.

* * * * *

SEC. 493C. INCOME-BASED REPAYMENT.

(a) *DEFINITIONS.*—In this section:

(1) *EXCEPTED PLUS LOAN.*—The term “excepted PLUS loan” means a loan under section 428B, or a Federal Direct PLUS Loan, that is made, insured, or guaranteed on behalf of a dependent student.

(2) *EXCEPTED CONSOLIDATION LOAN.*—The term “excepted consolidation loan” means a consolidation loan under section 428C, or a Federal Direct Consolidation Loan, if the proceeds of such loan were used to the discharge the liability on an excepted PLUS loan.

(3) PARTIAL FINANCIAL HARDSHIP.—The term “partial financial hardship”, when used with respect to a borrower, means that for such borrower—

(A) the annual amount due on the total amount of loans made, insured, or guaranteed under part B or D (other than an excepted PLUS loan or excepted consolidation loan) to a borrower as calculated under the standard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A), based on a 10-year repayment period; exceeds

(B) 15 percent of the result obtained by calculating, on at least an annual basis, the amount by which—

(i) the borrower’s, and the borrower’s spouse’s (if applicable), adjusted gross income; exceeds

(ii) 150 percent of the poverty line applicable to the borrower’s family size as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

(b) INCOME-BASED REPAYMENT PROGRAM AUTHORIZED.—Notwithstanding any other provision of this Act, the Secretary shall carry out a program under which—

(1) a borrower of any loan made, insured, or guaranteed under part B or D (other than an excepted PLUS loan or excepted consolidation loan) who has a partial financial hardship (whether or not the borrower’s loan has been submitted to a guaranty agency for default aversion or had been in default) may elect, during any period the borrower has the partial financial hardship, to have the borrower’s aggregate monthly payment for all such loans not exceed the result described in subsection (a)(3)(B) divided by 12;

(2) the holder of such a loan shall apply the borrower’s monthly payment under this subsection first toward interest due on the loan, next toward any fees due on the loan, and then toward the principal of the loan;

(3) any interest due and not paid under paragraph (2)—

(A) shall, on subsidized loans, be paid by the Secretary for a period of not more than 3 years after the date of the borrower’s election under paragraph (1), except that such period shall not include any period during which the borrower is in deferment due to an economic hardship described in section 435(o); and

(B) be capitalized—

(i) in the case of a subsidized loan, subject to subparagraph (A), at the time the borrower—

(I) ends the election to make income-based repayment under this subsection; or

(II) begins making payments of not less than the amount specified in paragraph (6)(A); or

(ii) in the case of an unsubsidized loan, at the time the borrower—

(I) ends the election to make income-based repayment under this subsection; or

(II) begins making payments of not less than the amount specified in paragraph (6)(A);

(4) any principal due and not paid under paragraph (2) shall be deferred;

(5) the amount of time the borrower makes monthly payments under paragraph (1) may exceed 10 years;

(6) if the borrower no longer has a partial financial hardship or no longer wishes to continue the election under this subsection, then—

(A) the maximum monthly payment required to be paid for all loans made to the borrower under part B or D (other than an excepted PLUS loan or excepted consolidation loan) shall not exceed the monthly amount calculated under section 428(b)(9)(A)(i) or 455(d)(1)(A), based on a 10-year repayment period, when the borrower first made the election described in this subsection; and

(B) the amount of time the borrower is permitted to repay such loans may exceed 10 years;

(7) the Secretary shall repay or cancel any outstanding balance of principal and interest due on all loans made under part B or D (other than a loan under section 428B or a Federal Direct PLUS Loan) to a borrower who—

(A) at any time, elected to participate in income-based repayment under paragraph (1); and

(B) for a period of time prescribed by the Secretary, not to exceed 25 years, meets 1 or more of the following requirements—

(i) has made reduced monthly payments under paragraph (1) or paragraph (6);

(ii) has made monthly payments of not less than the monthly amount calculated under section 428(b)(9)(A)(i) or 455(d)(1)(A), based on a 10-year repayment period, when the borrower first made the election described in this subsection;

(iii) has made payments of not less than the payments required under a standard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A) with a repayment period of 10 years;

(iv) has made payments under an income-contingent repayment plan under section 455(d)(1)(D); or

(v) has been in deferment due to an economic hardship described in section 435(o);

(8) a borrower who is repaying a loan made under part B or D pursuant to income-based repayment may elect, at any time, to terminate repayment pursuant to income-based repayment and repay such loan under the standard repayment plan; and

(9) the special allowance payment to a lender calculated under section 438(b)(2)(I), when calculated for a loan in repayment under this section, shall be calculated on the principal balance of the loan and on any accrued interest unpaid by the borrower in accordance with this section.

(c) ELIGIBILITY DETERMINATIONS.—The Secretary shall establish procedures for annually determining the borrower's eligibility for income-based repayment, including verification of a borrower's annual income and the annual amount due on the total amount of loans made, insured, or guaranteed under part B or D (other than an excepted PLUS loan or excepted consolidation loan), and such other procedures as are necessary to effectively implement income-based repayment under this section. The Secretary shall consider,

but is not limited to, the procedures established in accordance with section 455(e)(1) or in connection with income sensitive repayment schedules under section 428(b)(9)(A)(iii) or 428C(b)(1)(E).

(d) **SPECIAL RULE FOR MARRIED BORROWERS FILING SEPARATELY.**—In the case of a married borrower who files a separate Federal income tax return, the Secretary shall calculate the amount of the borrower’s income-based repayment under this section solely on the basis of the borrower’s student loan debt and adjusted gross income.

(e) **SPECIAL TERMS FOR NEW BORROWERS ON AND AFTER JULY 1, 2014.**—With respect to any loan made to a new borrower on or after July 1, 2014—

(1) subsection (a)(3)(B) shall be applied by substituting “10 percent” for “15 percent”; and

(2) subsection (b)(7)(B) shall be applied by substituting “20 years” for “25 years”.

(f) **REPORT.**—

(1) **IN GENERAL.**—*Not later than 180 days after the date of enactment of the PROSPER Act, the Secretary shall submit to the authorizing committees a report on the efforts of the Department to detect and combat fraud in the income-driven repayment plans described in paragraph (2).*

(2) **INCOME DRIVEN REPAYMENT PLANS DEFINED.**—*The income-driven repayment plans described in this paragraph are the repayment plans made available under—*

(A) *this section;*

(B) *subparagraphs (D) and (E) of section 455(d)(1); and*

(C) *section 455(e).*

SEC. 493D. DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.

(a) **DEFERRAL OF LOAN REPAYMENT FOLLOWING ACTIVE DUTY.**—In addition to any deferral of repayment of a loan made under this title pursuant to section 428(b)(1)(M)(iii), 455(f)(2)(C), [or 464(c)(2)(A)(iii)] 464(c)(2)(A)(iii) (as in effect on the day before the date of enactment of the PROSPER Act and pursuant to section 461(a)), or 469A(a)(2)(A)(iii), a borrower of a loan under this title who is a member of the National Guard or other reserve component of the Armed Forces of the United States, or a member of such Armed Forces in a retired status, is called or ordered to active duty, and is enrolled, or was enrolled within six months prior to the activation, in a program of instruction at an eligible institution, shall be eligible for a deferment during the 13 months following the conclusion of such service, except that a deferment under this subsection shall expire upon the borrower’s return to enrolled student status.

(b) **ACTIVE DUTY.**—Notwithstanding section 481(d), in this section, the term “active duty” has the meaning given such term in section 101(d)(1) of title 10, United States Code, except that such term—

(1) does not include active duty for training or attendance at a service school; but

(2) includes, in the case of members of the National Guard, active State duty.

SEC. 493E. CONTRACTS.**(a) CONTRACTS FOR SUPPLIES AND SERVICES.—**

(1) *IN GENERAL.*—The Secretary shall, to the extent practicable, award contracts for origination, servicing, and collection described in subsection (b). In awarding such contracts, the Secretary shall ensure that such services and supplies are provided at competitive prices.

(2) *ENTITIES.*—The entities with which the Secretary may enter into contracts shall include entities qualified to provide such services and supplies and will comply with the procedures applicable to the award of such contracts. In the case of awarding contracts for the origination, servicing, and collection of loans under parts D and E, the Secretary shall enter into contracts with entities that have extensive and relevant experience and demonstrated effectiveness. The entities with which the Secretary may enter into such contracts may include, where practicable, agencies with agreements with the Secretary under sections 428(b) and (c), if such agencies meet the qualifications as determined by the Secretary under this subsection and if those agencies have such experience and demonstrated effectiveness. In awarding contracts to such State agencies, the Secretary shall, to the extent practicable and consistent with the purposes of parts D and E, give consideration to State agencies with a history of high quality performance to perform services for institutions of higher education within their State.

(3) ALLOCATIONS.—

(A) *IN GENERAL.*—Except as provided in subparagraph (B), the Secretary shall allocate new borrower loan accounts to entities awarded a contract under this section on the basis of—

(i) the performance of each such entity compared to other such entities performing similar work using common performance metrics (which may take into account, as appropriate, portfolio risk factors, including a borrower's time in repayment, category of institution of higher education attended, and completion of an educational program), as determined by the Secretary; and

(ii) the capacity of each such entity compared to other such entities performing similar work to service new and existing borrower loan accounts.

(B) *FEDERAL ONE CONSOLIDATION LOANS.*—Any borrower who receives a Federal ONE Consolidation Loan may select the entity awarded a contract under this section to service such loan.

(4) *RULE OF CONSTRUCTION.*—Nothing in this section shall be construed as a limitation of the authority of any State agency to enter into an agreement for the purposes of this section as a member of a consortium of State agencies.

(b) CONTRACTS FOR ORIGINATION, SERVICING, AND DATA SYSTEMS.—The Secretary may enter into contracts for—

(1) the servicing and collection of loans made or purchased under part D or E;

(2) the establishment and operation of 1 or more data systems for the maintenance of records on all loans made or purchased under part D or E; and

(3) such other aspects of the direct student loan program under part D or E necessary to ensure the successful operation of the program.

(c) COMMON PERFORMANCE MANUAL.—

(1) CONSULTATION.—Not later than 180 days after the date of enactment of the PROSPER Act and biannually thereafter, the Secretary shall consult (in writing and in person) with entities awarded contracts for loan servicing under section 456 (as in effect on the day before the date of enactment of the PROSPER Act) and this section, to the extent practicable, to develop and update as necessary, a guidance manual for entities awarded contracts for loan servicing under this section that provides such entities with best practices to ensure borrowers receive adequate and consistent service from such entities.

(2) PROVISION OF MANUAL.—The Secretary shall provide the most recent guidance manual developed and updated under paragraph (1) to each entity awarded a contract for loan servicing under this section.

(3) ANNUAL REPORT.—The Secretary shall provide to the authorizing committees a report, on an annual basis, detailing the consultation required under paragraph (1).

(d) FEDERAL PREEMPTION.—

(1) IN GENERAL.—Covered activities shall not be subject to any law or other requirement of any State or political subdivision of a State with respect to—

(A) disclosure requirements;

(B) requirements or restrictions on the content, time, quantity, or frequency of communications with borrowers, endorsers, or references with respect to such loans; or

(C) any other requirement relating to the servicing or collection of a loan made under this title.

(2) SERVICING AND COLLECTION.—The requirements of this section with respect to any covered activity shall preempt any law or other requirement of a State or political subdivision of a State to the extent that such law or other requirement would, in the absence of this subsection, apply to such covered activity.

(3) STATE LICENSES.—No qualified entity engaged in a covered activity shall be required to obtain a license from, or pay a licensing fee or other assessment to, any State or political subdivision of a State relating to such covered activity.

(4) DEFINITIONS.—For purposes of this section:

(A) The term “covered activity” means any of the following activities, as carried out by a qualified entity:

(i) Origination of a loan made under this title.

(ii) Servicing of a loan made under this title.

(iii) Collection of a loan made under this title.

(iv) Any other activity related to the activities described in clauses (i) through (iii).

(B) The term “qualified entity” means an organization, other than an institution of higher education—

(i) that is responsible for the servicing or collection of a loan made under this title;

(ii) that has agreement with the Secretary under subsections (a) and (b) of section 428; or

(iii) that is under contract with an entity described in clause (i) or clause (ii) to support such entity's responsibilities under this title.

(5) **LIMITATION.**—This subsection shall not have any legal effect on any other preemption provision under Federal law with respect to this title.

SEC. 493F. MATCHING PROGRAM.

(a) **IN GENERAL.**—The Secretary of Education and the Secretary of Veterans Affairs shall carry out a computer matching program under which the Secretary of Education identifies, on at least a quarterly basis, borrowers—

(1) who have been assigned a disability rating of 100 percent (or a combination of ratings equaling 100 percent or more) by the Secretary of Veterans Affairs for a service-connected disability (as defined in section 101 of title 38, United States Code); or

(2) who have been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition, as described in section 437(a)(2).

(b) **BORROWER NOTIFICATION.**—With respect to each borrower who is identified under subsection (a), the Secretary shall, as soon as practicable after such identification—

(1) notify the borrower of the borrower's eligibility for loan discharge under section 437(a); and

(2) provide the borrower with simple instructions on how to apply for such loan discharge, including an explanation that the borrower shall not be required to provide any documentation of the borrower's disability rating to receive such discharge.

(c) **DATA COLLECTION AND REPORT TO CONGRESS.**—

(1) **IN GENERAL.**—The Secretary shall annually collect and submit to the Committees on Education and the Workforce and Veterans' Affairs of the House of Representatives and the Committees on Health, Education, Labor, and Pensions and Veterans Affairs of the Senate, data about borrowers applying for and receiving loan discharges under section 437(a), which shall be disaggregated in the manner described in paragraph (2) and include the following:

(A) The number of applications received under section 437(a).

(B) The number of such applications that were approved.

(C) The number of loan discharges that were completed under section 437(a).

(2) **DISAGGREGATION.**—The data collected under paragraph (1) shall be disaggregated—

(A) by borrowers who applied under this section for loan discharges under section 437(a);

(B) by borrowers who received loan discharges as a result of applying for such discharges under this section;

(C) by borrowers who applied for loan discharges under section 437(a)(2); and

(D) by borrowers who received loan discharges as a result of applying for such discharges under section 437(a)(2).

(d) *NOTIFICATION TO BORROWERS.*—The Secretary shall notify each borrower whose liability on a loan has been discharged under section 437(a) that the liability on the loan has been so discharged.

PART H—PROGRAM INTEGRITY

Subpart 1—State Role

SEC. 495. STATE RESPONSIBILITIES.

(a) *STATE RESPONSIBILITIES.*—As part of the integrity program authorized by this part, each State, through one State agency or several State agencies selected by the State, shall—

(1) furnish the Secretary, upon request, information with respect to the process for licensing or other authorization for institutions of higher education to operate within the State;

(2) notify the Secretary promptly whenever the State revokes a license or other authority to operate an institution of higher education; and

(3) notify the Secretary promptly whenever the State has credible evidence that an institution of higher education within the State—

(A) has committed fraud in the administration of the student assistance programs authorized by this title; or

(B) has substantially violated a provision of this title.

[(b) *INSTITUTIONAL RESPONSIBILITY.*—Each institution of higher education shall provide evidence to the Secretary that the institution has authority to operate within a State at the time the institution is certified under subpart 3.]

(b) *INSTITUTIONAL RESPONSIBILITY.*—Each institution of higher education shall provide evidence to the Secretary that the institution has authority to operate within each State in which it maintains a physical location at the time the institution is certified under subpart 3.

(c) *TREATMENT OF RELIGIOUS INSTITUTIONS.*—An institution shall be treated as legally authorized to operate educational programs beyond secondary education in a State under section 101(a)(2) if the institution is—

(1) recognized as a religious institution by the State; and

(2) because of the institution's status as a religious institution, exempt from any provision of State law that requires institutions to be authorized by the State to operate educational programs beyond secondary education.

Subpart 2—Accrediting Agency Recognition

SEC. 496. RECOGNITION OF ACCREDITING AGENCY OR ASSOCIATION.

(a) *CRITERIA REQUIRED.*—No accrediting agency or association may be determined by the Secretary to be a reliable authority as to the quality of education or training offered for the purposes of this Act or for other Federal purposes, unless the agency or association meets criteria established by the Secretary pursuant to this section. The Secretary shall, after notice and opportunity for a hearing, establish criteria for such determinations. Such criteria

shall include an appropriate measure or measures of student achievement. Such criteria shall require that—

(1) the accrediting agency or association shall be a State, regional, or national agency or association and shall demonstrate the ability and the experience to operate as an accrediting agency or association within the State, region, or nationally, as appropriate;

(2) such agency or association—

【(A)(i) for the purpose of participation in programs under this Act, has a voluntary membership of institutions of higher education and has as a principal purpose the accrediting of institutions of higher education; or

【(ii) for the purpose of participation in other programs administered by the Department of Education or other Federal agencies, has a voluntary membership and has as its principal purpose the accrediting of institutions of higher education or programs;】

(A) for the purpose of participation in programs under this Act or other programs administered by the Department of Education or other Federal agencies, has a voluntary membership of institutions of higher education or other entities and has as a principal purpose the accrediting of institutions of higher education or programs;

(B) is a State agency approved by the Secretary for the purpose described in subparagraph (A); or

(C) is an agency or association that, for the purpose of determining eligibility for student assistance under this title, conducts accreditation through (i) a voluntary membership organization of individuals participating in a profession, or (ii) an agency or association which has as its principal purpose the accreditation of programs within institutions, which institutions are accredited by another agency or association recognized by the Secretary;

(3) if such agency or association is an agency or association described in—

(A) 【subparagraph (A)(i)】 *subparagraph (A) or (C) of paragraph (2), then such agency or association is 【separate】 separately incorporated and independent, both administratively and financially of any related, associated, or affiliated trade association or membership organization; or*

(B) subparagraph (B) of paragraph (2), then such agency or association has been recognized by the Secretary on or before October 1, 1991; 【or】

【(C) subparagraph (C) of paragraph (2) and such agency or association has been recognized by the Secretary on or before October 1, 1991, then the Secretary may waive the requirement that such agency or association is separate and independent, both administratively and financially of any related, associated, or affiliated trade association or membership organization upon a demonstration that the existing relationship has not served to compromise the independence of its accreditation process;】

(4)(A) such agency or association consistently applies and enforces standards that respect the stated mission of the institution of higher education *as defined by the institution*, including

religious missions, and that ensure that the courses or programs of instruction, training, or study offered by the institution of higher education[, including distance education or correspondence courses or programs,] are of sufficient quality to achieve, for the duration of the accreditation period, the stated objective for which the courses or the programs are offered; [and]

[(B) if such agency or association has or seeks to include within its scope of recognition the evaluation of the quality of institutions or programs offering distance education or correspondence education, such agency or association shall, in addition to meeting the other requirements of this subpart, demonstrate to the Secretary that—

[(i) the agency or association's standards effectively address the quality of an institution's distance education or correspondence education in the areas identified in paragraph (5), except that—

[(I) the agency or association shall not be required to have separate standards, procedures, or policies for the evaluation of distance education or correspondence education institutions or programs in order to meet the requirements of this subparagraph; and

[(II) in the case that the agency or association is recognized by the Secretary, the agency or association shall not be required to obtain the approval of the Secretary to expand its scope of accreditation to include distance education or correspondence education, provided that the agency or association notifies the Secretary in writing of the change in scope; and

[(ii) the agency or association requires an institution that offers distance education or correspondence education to have processes through which the institution establishes that the student who registers in a distance education or correspondence education course or program is the same student who participates in and completes the program and receives the academic credit;]

(B) such agency or association demonstrates the ability to review, evaluate, and assess the quality of any instruction delivery model or method such agency or association has or seeks to include within its scope of recognition, without giving preference to or differentially treating a particular instruction delivery model or method offered by an institution of higher education or program except that, in a case in which the instruction delivery model allows for the separation of the student from the instructor—

(i) the agency or association requires the institution to have processes through which the institution establishes that the student who registers in a course or program is the same student who participates in, including, to the extent practicable, testing or other assessment, and completes the program and receives the academic credit; and

(ii) the agency or association requires that any process used by an institution to comply with the requirement under clause (i) does not infringe upon student

privacy and is implemented in a manner that is minimally burdensome to the student; and

(C) if such an agency or association evaluates or assesses the quality of competency-based education programs, the agency's or association's evaluation or assessment —

(i) shall address effectively the quality of an institution's competency-based education programs as set forth in paragraph (5), except that the agency or association is not required to have separate standards, procedures, or policies for the evaluation of competency-based education;

(ii) shall establish whether an institution has demonstrated that its program satisfies the definitions in section 103(25); and

(iii) shall establish whether an institution has demonstrated that it has defined an academic year for a competency-based program in accordance with section 481(a)(3).

[(5) the standards for accreditation of the agency or association assess the institution's—

[(A) success with respect to student achievement in relation to the institution's mission, which may include different standards for different institutions or programs, as established by the institution, including, as appropriate, consideration of State licensing examinations, consideration of course completion, and job placement rates;

[(B) curricula;

[(C) faculty;

[(D) facilities, equipment, and supplies;

[(E) fiscal and administrative capacity as appropriate to the specified scale of operations;

[(F) student support services;

[(G) recruiting and admissions practices, academic calendars, catalogs, publications, grading and advertising;

[(H) measures of program length and the objectives of the degrees or credentials offered;

[(I) record of student complaints received by, or available to, the agency or association; and

[(J) record of compliance with its program responsibilities under title IV of this Act based on the most recent student loan default rate data provided by the Secretary, the results of financial or compliance audits, program reviews, and any such other information as the Secretary may provide to the agency or association;

except that subparagraphs (A), (H), and (J) shall not apply to agencies or associations described in paragraph (2)(A)(ii) of this subsection;]

(5) the standards for accreditation of the agency or association assess the institution's success with respect to student learning and educational outcomes in relation to the institution's mission, which may include different standards for different institutions or programs, except that the standards shall include consideration of student learning and educational outcomes in relation to expected measures of student learning and

educational outcomes, which at the agency's or association's discretion are established—

(A) by the agency or association; or

(B) by the institution or program, at the institution or program level, as the case may be, if the institution or program—

(i) defines expected student learning goals and educational outcomes;

(ii) measures and evaluates student learning, educational outcomes, and, if appropriate, other outcomes of the students who complete their program of study;

(iii) uses information about student learning, educational outcomes, and, if appropriate, other outcomes, to improve the institution or program; and

(iv) makes such information available to appropriate constituencies;

(6) such an agency or association shall establish and apply review procedures throughout the accrediting process, including evaluation and withdrawal proceedings, which comply with due process procedures that provide—

(A) for adequate written specification of—

(i) requirements, including clear standards for an institution of higher education or program to be accredited; and

(ii) identified deficiencies at the institution or program examined;

(B) for sufficient opportunity for a written response, by an institution or program, regarding any deficiencies identified by the agency or association to be considered by the agency or association—

(i) within a timeframe determined by the agency or association; and

(ii) prior to final action in the evaluation and withdrawal proceedings;

(C) upon the written request of an institution or program, for an opportunity for the institution or program to appeal any adverse action under this section, including denial, withdrawal, suspension, or termination of accreditation, taken against the institution or program, prior to such action becoming final at a hearing before an appeals panel that—

(i) shall not include current members of the agency's or association's underlying decisionmaking body that made the adverse decision; and

(ii) is subject to a conflict of interest policy;

(D) for the right to representation and participation by counsel for an institution or program during an appeal of the adverse action;

(E) for a process, in accordance with written procedures developed by the agency or association, through which an institution or program, before a final adverse action based solely upon a failure to meet a standard or criterion pertaining to finances, may on one occasion seek review of significant financial information that was unavailable to the institution or program prior to the determination of the

adverse action, and that bears materially on the financial deficiencies identified by the agency or association;

(F) in the case that the agency or association determines that the new financial information submitted by the institution or program under subparagraph (E) meets the criteria of significance and materiality described in such subparagraph, for consideration by the agency or association of the new financial information prior to the adverse action described in such subparagraph becoming final; and

(G) that any determination by the agency or association made with respect to the new financial information described in subparagraph (E) shall not be separately appealable by the institution or program;

(7) such agency or association shall notify the Secretary and the appropriate State licensing or authorizing agency within 30 days of the accreditation of an institution or any final denial, withdrawal, suspension, or termination of accreditation or placement on probation of an institution, together with any other adverse action taken with respect to an institution; and

(8) such agency or association shall make available to the public~~], upon request,~~ and to the Secretary, and the State licensing or authorizing agency a summary of any review resulting in a final accrediting decision involving denial, termination, or suspension of accreditation, together with the comments of the affected institution.

(b) **[SEPARATE] SEPARATELY INCORPORATED AND INDEPENDENT DEFINED.**—For the purpose of subsection (a)(3), the term “**[separate] separately incorporated and independent**” means that—

(1) the members of the postsecondary education governing body of the accrediting agency or association are not elected or selected by the board or chief executive officer of any related, associated, or affiliated trade association or membership organization;

(2) among the membership of the board of the accrediting agency or association there shall be one public member (who is not a member of any related trade or membership organization) for each six members of the board, with a minimum of one such public member *who shall represent business*, and guidelines are established for such members to avoid conflicts of interest;

(3) dues to the accrediting agency or association are paid separately from any dues paid to any related, associated, or affiliated trade association or membership organization; and

(4) the budget of the accrediting agency or association is developed and determined by the accrediting agency or association without review or resort to consultation with any other entity or organization *and is maintained separately from any such entity or organization*.

(c) **OPERATING PROCEDURES REQUIRED.**—No accrediting agency or association may be recognized by the Secretary as a reliable authority as to the quality of education or training offered by an institution seeking to participate in the programs authorized under this title, unless the agency or association—

(1) performs, at regularly established intervals (*which may vary based on institutional risk consistent with policies promul-*

gated by the agency or association to determine such risk and interval frequency as allowed under subsection (p)), on-site inspections and reviews of institutions of higher education (which may include unannounced site visits) with particular focus on educational quality and program effectiveness, and ensures that accreditation team members are well-trained and knowledgeable with respect to their responsibilities, including those regarding **distance education** *competency-based education*;

(2) *develops a mechanism to identify institutions or programs accredited by the agency or association that may be experiencing difficulties accomplishing their missions with respect to the student learning and educational outcome goals established under subsection (a)(5) and—*

(A) *as appropriate, uses information such as student loan default or repayment rates, retention or graduation rates, evidence of student learning, financial data, and other indicators to identify such institutions;*

(B) *not less than annually, evaluates the extent to which those identified institutions or programs continue to be in compliance with the agency or association's standards; and*

(C) *as appropriate, requires the institution or program to address deficiencies and ensure that any plan to address and remedy deficiencies is successfully implemented.*

[(2)] (3) *monitors the growth of programs at institutions that are experiencing significant enrollment growth;*

[(3)] (4) *requires an institution to submit for approval to the accrediting agency a teach-out plan upon the occurrence of any of the following events:*

(A) *the Department notifies the accrediting agency of an action against the institution pursuant to section **[487(f)] 487(e)**;*

(B) *the accrediting agency acts to withdraw, terminate, or suspend the accreditation of the institution; or*

(C) *the institution notifies the accrediting agency that the institution intends to cease operations;*

[(4)] (5) *requires that any institution of higher education subject to its jurisdiction which plans to establish a branch campus submit a business plan, including projected revenues and expenditures, prior to opening the branch campus;*

[(5)] (6) *agrees to conduct, as soon as practicable, but within a period of not more than 6 months of the establishment of a new branch campus or a change of ownership of an institution of higher education, an on-site visit of that branch campus or of the institution after a change of ownership;*

(5) *establishes and applies or maintains policies which ensure that any substantive change to the educational mission, program, or programs of an institution after the agency or association has granted the institution accreditation or preaccreditation status does not adversely affect the capacity of the institution to continue to meet the agency's or association's standards for such accreditation or preaccreditation status, which shall include policies that—*

(A) *require the institution to obtain the agency's or association's approval of the substantive change before the*

agency or association includes the change in the scope of the institution's accreditation or preaccreditation status; and

(B) define substantive change to include, at a minimum—

(i) any change in the established mission or objectives of the institution;

(ii) any change in the legal status, form of control, or ownership of the institution;

(iii) the addition of courses, programs of instruction, training, or study, or credentials or degrees that represent a significant departure from the courses, programs, or credentials or degrees that were offered at time the agency or association last evaluated the institution; or

(iv) the entering into a contract under which an institution or organization not certified to participate programs under title IV provides a portion of an accredited institution's educational program that is greater than 25 percent;

(6) requires that teach-out agreements among institutions are subject to approval by the accrediting agency or association consistent with standards promulgated by such agency or association;

(7) makes available to the public, on the agency's or association's website, and the State licensing or authorizing agency, and submits to the Secretary, a summary of agency or association actions, including—

(A) the award of accreditation or reaccreditation of an institution;

(B) final denial, withdrawal, suspension, or termination of accreditation of an institution, and any findings made in connection with the action taken, together with the official comments of the affected institution; and

(C) any other adverse action taken with respect to an institution or placement on probation of an institution, and a summary of why such action was taken or such placement was made;

(8) discloses publicly whenever an institution of higher education subject to its jurisdiction is being considered for accreditation or reaccreditation; **[and]**

(9) confirms, as a part of the agency's or association's review for accreditation or reaccreditation, that the institution has transfer of credit policies—

(A) that are publicly disclosed; and

(B) that include a statement of the criteria established by the institution regarding the transfer of credit earned at another institution of higher education~~].~~;

(10) makes publicly available, on the agency or association's website, a list of the institutions of higher education accredited by such agency or association, which includes, with respect to each institution on the list—

(A) the year accreditation was granted;

(B) the most recent date of a comprehensive evaluation of the institution under paragraph (1); and

(C) *the anticipated date of the next such evaluation; and*
 (11) *confirms, as a part of the agency's or association's review for accreditation or reaccreditation, that the institution's website includes consumer information described section paragraphs (1) and (2) of section 132(d).*

(d) **LENGTH OF RECOGNITION.**—No accrediting agency or association may be recognized by the Secretary for the purpose of this Act for a period of more than 5 years.

(e) **INITIAL ARBITRATION RULE.**—**【The Secretary】**

(1) **IN GENERAL.**—*Subject to paragraph (2), the Secretary may not recognize the accreditation of any institution of higher education unless the institution of higher education agrees to submit any dispute involving the final denial, withdrawal, or termination of accreditation to initial arbitration prior to any other legal action.*

(2) **EXCEPTION.**—*Paragraph (1) shall not apply in the case of an institution described in subsection (j).*

(f) **JURISDICTION.**—Notwithstanding any other provision of law, any civil action brought by an institution of higher education seeking accreditation from, or accredited by, an accrediting agency or association recognized by the Secretary for the purpose of this title and involving the denial, withdrawal, or termination of accreditation of the institution of higher education, shall be brought in the appropriate United States district court.

(g) **LIMITATION ON SCOPE OF CRITERIA.**—Nothing in this Act shall be construed to permit the Secretary to establish criteria for accrediting agencies or associations that are not required by this section. Nothing in this Act shall be construed to prohibit or limit any accrediting agency or association from adopting additional standards not provided for in this section. Nothing in this section shall be construed to permit the Secretary to establish any criteria that specifies, defines, or prescribes the standards that accrediting agencies or associations shall use to assess any institution's success with respect to student achievement.

【(h) CHANGE OF ACCREDITING AGENCY.—The Secretary shall not recognize the accreditation of any otherwise eligible institution of higher education if the institution of higher education is in the process of changing its accrediting agency or association, unless the eligible institution submits to the Secretary all materials relating to the prior accreditation, including materials demonstrating reasonable cause for changing the accrediting agency or association.**】**

(h) **CHANGE OF ACCREDITING AGENCY OR ASSOCIATION.**—

(1) **IN GENERAL.**—*The Secretary shall not recognize the accreditation of any otherwise eligible institution of higher education if the institution is in the process of changing its accrediting agency or association and is subject to one or more of the following actions, unless the eligible institution submits to the Secretary materials demonstrating a reasonable cause for changing the accrediting agency or association:*

(A) *A pending or final action brought by a State agency to suspend, revoke, withdraw, or terminate the institution's legal authority to provide postsecondary education in the State.*

(B) A decision by a recognized accrediting agency or association to deny accreditation or preaccreditation to the institution.

(C) A pending or final action brought by a recognized accrediting agency or association to suspend, revoke, withdraw, or terminate the institution's accreditation or preaccreditation.

(D) Probation or an equivalent status imposed on the institution by a recognized accrediting agency or association.

(2) *RULE OF CONSTRUCTION.*—Nothing in this subsection shall be construed to restrict the ability of an institution of higher education not subject to an action described in paragraph (1) and otherwise in good standing to change accrediting agencies or associations without the approval of the Secretary as long as the institution notifies the Secretary of the change.

(i) *DUAL ACCREDITATION RULE.*—The Secretary shall not recognize the accreditation of any otherwise eligible institution of higher education if the institution of higher education is accredited, as an institution, by more than one accrediting agency or association, unless the institution submits to each such agency and association and to the Secretary the reasons for accreditation by more than one such agency or association and demonstrates to the Secretary reasonable cause for its accreditation by more than one agency or association. If the institution is accredited, as an institution, by more than one accrediting agency or association, the institution shall designate which agency's accreditation shall be utilized in determining the institution's eligibility for programs under this Act.

(j) *IMPACT OF LOSS OF ACCREDITATION.*—An institution may not be certified or recertified as an institution of higher education under [section 102] *section 101* and subpart 3 of this part or participate in any of the other programs authorized by this Act if such institution—

(1) is not currently accredited by any agency or association recognized by the Secretary;

(2) has had its accreditation withdrawn, revoked, or otherwise terminated for cause during the preceding 24 months, unless such withdrawal, revocation, or termination has been rescinded by the same accrediting agency; or

(3) has withdrawn from accreditation voluntarily under a show cause or suspension order during the preceding 24 months, unless such order has been rescinded by the same accrediting agency.

[(k) *RELIGIOUS INSTITUTION RULE.*—Notwithstanding subsection (j), the Secretary shall allow an institution that has had its accreditation withdrawn, revoked, or otherwise terminated, or has voluntarily withdrawn from an accreditation agency, to remain certified as an institution of higher education under section 102 and subpart 3 of this part for a period sufficient to allow such institution to obtain alternative accreditation, if the Secretary determines that the reason for the withdrawal, revocation, or termination—

[(1) is related to the religious mission or affiliation of the institution; and

[(2) is not related to the accreditation criteria provided for in this section.]

(k) *RELIGIOUS INSTITUTION RULE.*—

(1) *IN GENERAL.*—Notwithstanding subsection (j), the Secretary shall allow an institution that has had its accreditation withdrawn, revoked, or otherwise terminated, or has voluntarily withdrawn from an accreditation agency, to remain certified as an institution of higher education under section 101 and subpart 3 of this part for a period sufficient to allow such institution to obtain alternative accreditation, if the Secretary determines that the withdrawal, revocation, or termination—

(A) is related to the religious mission or affiliation of the institution; and

(B) is not related to the accreditation criteria provided for in this section.

(2) *REQUIREMENTS.*—For purposes of this section the following shall apply:

(A) The religious mission of an institution may be reflected in the institution's religious tenets, beliefs, or teachings, and any policies or decisions related to such tenets, beliefs, or teachings (including any policies or decisions concerning housing, employment, curriculum, self-governance, or student admission, continuing enrollment, or graduation).

(B) An agency or association's standard fails to respect an institution's religious mission when the institution determines that the standard induces, pressures, or coerces the institution to act contrary to, or to refrain from acting in support of, any aspect of its religious mission.

(3) *ADMINISTRATIVE COMPLAINT FOR FAILURE TO RESPECT RELIGIOUS MISSION.*—

(A) *IN GENERAL.*—

(i) *INSTITUTION.*—If an institution of higher education believes that an adverse action of an accrediting agency or association fails to respect the institution's religious mission in violation of subsection (a)(4)(A), the institution—

(I) may file a complaint with the Secretary to require the agency or association to withdraw the adverse action; and

(II) prior to filing such complaint, shall notify the Secretary and the agency or association of an intent to file such complaint not later than 30 days after—

(aa) receiving the adverse action from the agency or association; or

(bb) determining that discussions with or the processes of the agency or association to remedy the failure to respect the religious mission of the institution will fail to result in the withdrawal of the adverse action by the agency or association.

(ii) *ACCREDITING AGENCY OR ASSOCIATION.*—Upon notification of an intent to file a complaint and through the duration of the complaint process under this paragraph, the Secretary and the accrediting agency or association shall treat the accreditation status of the institution of higher education as if the adverse ac-

tion for which the institution is filing the complaint had not been taken.

(B) *COMPLAINT.*—Not later than 45 days after providing notice of the intent to file a complaint, the institution shall file the complaint with the Secretary (and provide a copy to the accrediting agency or association), which shall include—

- (i) a description of the adverse action;
- (ii) how the adverse action fails to respect the institution's religious mission in violation of subsection (a)(4)(A); and
- (iii) any other information the institution determines relevant to the complaint.

(C) *RESPONSE.*—

(i) *IN GENERAL.*—The accrediting agency or association shall have 30 days from the date the complaint is filed with the Secretary to file with the Secretary (and provide a copy to the institution) a response to the complaint, which response shall include—

(I) how the adverse action is based on a violation of the agency or association's standards for accreditation; and

(II) how the adverse action does not fail to respect the religious mission of the institution and is in compliance with subsection (a)(4)(A).

(ii) *BURDEN OF PROOF.*—

(I) *IN GENERAL.*—The accrediting agency or association shall bear the burden of proving that the agency or association has not taken the adverse action as a result of the institution's religious mission, and that the action does not fail to respect the institution's religious mission in violation of subsection (a)(4)(A), by showing that the adverse action does not impact the aspect of the religious claimed to be affected in the complaint.

(II) *INSUFFICIENT PROOF.*—Any evidence that the adverse action results from the application of a neutral and generally applicable rule shall be insufficient to prove that the action does not fail to respect an institution's religious mission.

(D) *ADDITIONAL INSTITUTION RESPONSE.*—The institution shall have 15 days from the date on which the agency or association's response is filed with the Secretary to—

(i) file with the Secretary (and provide a copy to the agency or association) a response to any issues raised in the response of the agency or association; or

(ii) inform the Secretary and the agency or association that the institution elects to waive the right to respond to the response of the agency or association.

(E) *SECRETARIAL ACTION.*—

(i) *IN GENERAL.*—Not later than 15 days of receipt of the institution's response under subparagraph (D) or notification that the institution elects not to file a response under such subparagraph—

(I) the Secretary shall review the materials to determine if the accrediting agency or association has met its burden of proof under subparagraph (C)(ii)(I); or

(II) in a case in which the Secretary fails to conduct such review—

(aa) the Secretary shall be deemed as determining that the adverse action fails to respect the religious mission of the institution; and

(bb) the accrediting agency or association shall be required to reverse the action immediately and take no further action with respect to such adverse action.

(ii) REVIEW OF COMPLAINT.—In reviewing the complaint under clause (i)(I)—

(I) the Secretary shall consider the institution to be correct in the assertion that the adverse action fails to respect the institution's religious mission and shall apply the burden of proof described in subparagraph (C)(ii)(I) with respect to the accrediting agency or association; and

(II) if the Secretary determines that the accrediting agency or association fails to meet such burden of proof—

(aa) the Secretary shall notify the institution and the agency or association that the agency or association is not in compliance with subsection (a)(4)(A), and that such agency or association shall carry out the requirements of item (bb) to be in compliance subsection (a)(4)(A); and

(bb) the agency or association shall reverse the adverse action immediately and take no further action with respect to such adverse action.

(iii) FINAL DEPARTMENTAL ACTION.—The Secretary's determination under this subparagraph shall be the final action of the Department on the complaint.

(F) RULE OF CONSTRUCTION.—Nothing in this paragraph shall prohibit—

(i) an accrediting agency or association from taking an adverse action against an institution of higher education for a failure to comply with the agency or association's standards of accreditation as long as such standards are in compliance with subsection (a)(4)(A) and any other applicable requirements of this section; or

(ii) an institution of higher education from exercising any other rights to address concerns with respect to an accrediting agency or association or the accreditation process of an accrediting agency or association.

(G) GUIDANCE.—

(i) IN GENERAL.—The Secretary may only issue guidance under this paragraph that explains or clarifies the process for providing notice of an intent to file a

complaint or for filing a complaint under this paragraph.

(ii) *CLARIFICATION.—The Secretary may not issue guidance, or otherwise determine or suggest, when discussions to remedy the failure by an accrediting agency or association to respect the religious mission of an institution of higher education referred to in subparagraph (A)(i)(II)(bb) have failed or will fail.*

(1) **LIMITATION, SUSPENSION, OR TERMINATION OF RECOGNITION.—**
 (1) If the Secretary determines that an accrediting agency or association has failed to apply effectively the criteria in this section, or is otherwise not in compliance with the requirements of this section, the Secretary shall—

(A) after notice and opportunity for a hearing, limit, suspend, or terminate the recognition of the agency or association; or

(B) require the agency or association to take appropriate action to bring the agency or association into compliance with such requirements within a timeframe specified by the Secretary, except that—

(i) such timeframe shall not exceed 12 months unless the Secretary extends such period for good cause; and

(ii) if the agency or association fails to bring the agency or association into compliance within such timeframe, the Secretary shall, after notice and opportunity for a hearing, limit, suspend, or terminate the recognition of the agency or association.

(2) The Secretary may determine that an accrediting agency or association has failed to apply effectively the standards provided in this section if an institution of higher education seeks and receives accreditation from the accrediting agency or association during any period in which the institution is the subject of any interim action by another accrediting agency or association, described in paragraph (2)(A)(i), (2)(B), or (2)(C) of subsection (a) of this section, leading to the suspension, revocation, or termination of accreditation or the institution has been notified of the threatened loss of accreditation, and the due process procedures required by such suspension, revocation, termination, or threatened loss have not been completed.

(m) **LIMITATION ON THE SECRETARY'S AUTHORITY.—**The Secretary may only recognize accrediting agencies or associations which accredit institutions of higher education for the purpose of enabling such institutions to establish eligibility to participate in the programs under this Act or which accredit institutions of higher education or higher education programs for the purpose of enabling them to establish eligibility to participate in other programs administered by the Department of Education or other Federal agencies.

(n) **INDEPENDENT EVALUATION.—**(1) The Secretary shall conduct a comprehensive review and evaluation of the performance of all accrediting agencies or associations which seek recognition by the Secretary in order to determine whether such accrediting agencies or associations meet the criteria established by this section. The Secretary shall conduct an independent evaluation of the information provided by such agency or association. Such evaluation shall include—

(A) the solicitation of third-party information concerning the performance of the accrediting agency or association; and

(B) site visits, including unannounced site visits as appropriate, at accrediting agencies and associations, and, at the Secretary's discretion, at representative member institutions.

(2) The Secretary shall place a priority for review of accrediting agencies or associations on those agencies or associations that accredit institutions of higher education that participate most extensively in the programs authorized by this title and on those agencies or associations which have been the subject of the most complaints or legal actions.

(3) The Secretary shall consider all available relevant information concerning the compliance of the accrediting agency or association with the criteria provided for in this section, including any complaints or legal actions against such agency or association. In cases where deficiencies in the performance of an accreditation agency or association with respect to the requirements of this section are noted, the Secretary shall take these deficiencies into account in the recognition process. The Secretary shall not, under any circumstances, base decisions on the recognition or denial of recognition of accreditation agencies or associations on criteria other than those contained in this section. When the Secretary decides to recognize an accrediting agency or association, the Secretary shall determine the agency or association's scope of recognition. If the agency or association reviews institutions offering **[distance education courses or programs]** *competency-based education programs* and the Secretary determines that the agency or association meets the requirements of this section, then the agency shall be recognized and the scope of recognition shall include accreditation of institutions offering **[distance education courses or programs]** *competency-based education programs*.

(4) The Secretary shall maintain sufficient documentation to support the conclusions reached in the recognition process, and, if the Secretary does not recognize any accreditation agency or association, shall make publicly available the reason for denying recognition, including reference to the specific criteria under this section which have not been fulfilled.

(o) REGULATIONS.—The Secretary shall by regulation provide procedures for the recognition of accrediting agencies or associations and for the appeal of the Secretary's decisions. Notwithstanding any other provision of law, the Secretary shall not promulgate any regulation with respect to the standards of an accreditation agency or association described in subsection (a)(5), *or with respect to the policies and procedures of an accreditation agency or association described in paragraph (2) or (5) of subsection (c) or how the agency or association carries out such policies and procedures.*

[(p) RULE OF CONSTRUCTION.—Nothing in subsection (a)(5) shall be construed to restrict the ability of—

[(1) an accrediting agency or association to set, with the involvement of its members, and to apply, accreditation standards for or to institutions or programs that seek review by the agency or association; or

[(2) an institution to develop and use institutional standards to show its success with respect to student achievement, which

achievement may be considered as part of any accreditation review.

[(q) REVIEW OF SCOPE CHANGES.—The Secretary shall require a review, at the next available meeting of the National Advisory Committee on Institutional Quality and Integrity, of any change in scope undertaken by an agency or association under subsection (a)(4)(B)(i)(II) if the enrollment of an institution that offers distance education or correspondence education that is accredited by such agency or association increases by 50 percent or more within any one institutional fiscal year.]

(p) RISK-BASED OR DIFFERENTIATED REVIEW PROCESSES OR PROCEDURES.—

(1) IN GENERAL.—*Notwithstanding any other provision of law (including subsection (a)(4)(A)), an accrediting agency or association may establish, with the involvement of its membership, risk-based or differentiated review processes or procedures for assessing compliance with the accrediting agency or association's standards, including policies related to substantive change and award of accreditation statuses, for institutions of higher education or programs that have demonstrated exceptional past performance with respect to meeting the accrediting agency or association's standards.*

(2) PROHIBITION.—*Risk-based or differentiated review processes or procedures shall not discriminate against, or otherwise preclude, institutions of higher education based on institutional sector or category, including an institution of higher education's tax status.*

(3) RULE OF CONSTRUCTION.—*Nothing in this subsection shall be construed to permit the Secretary to establish any criterion that specifies, defines, or prescribes an accrediting agency or association's risk-based or differentiated review process or procedure.*

(q) WAIVER.—*The Secretary shall establish a process through which an agency or association may seek to have a requirement of this subpart waived, if such agency or association—*

(1) *demonstrates that such waiver is necessary to enable an institution of higher education or program accredited by the agency or association to implement innovative practices intended to—*

(A) *reduce administrative burdens to the institution or program without creating costs for the taxpayer; or*

(B) *improve the delivery of services to students, improve instruction or learning outcomes, or otherwise benefit students; and*

(2) *describes the terms and conditions that will be placed upon the program or institution to ensure academic integrity and quality.*

Subpart 3—Eligibility and Certification Procedures

SEC. 498. ELIGIBILITY AND CERTIFICATION PROCEDURES.

(a) GENERAL REQUIREMENT.—[For purposes of]

(1) IN GENERAL.—*For purposes of* qualifying institutions of higher education for participation in programs under this title,

the Secretary shall determine, *subject to paragraph (2)*, the legal authority to operate within a State, the accreditation status, and the administrative capability and financial responsibility of an institution of higher education in accordance with the requirements of this section.

(2) *SPECIAL RULE.—The determination of whether an institution of higher education is legally authorized to operate in a State under section 101(a)(2) shall be based solely on that State's laws.*

(b) **SINGLE APPLICATION FORM.**—The Secretary shall prepare and prescribe a single application form which—

(1) requires sufficient information and documentation to determine that the requirements of eligibility, accreditation, financial responsibility, and administrative capability of the institution of higher education are met;

(2) requires a specific description of the relationship between a main campus of an institution of higher education and all of its branches, including a description of the student aid processing that is performed by the main campus and that which is performed at its branches;

(3) requires—

(A) a description of the third party servicers of an institution of higher education; and

(B) the institution to maintain a copy of any contract with a financial aid service provider or loan servicer, and provide a copy of any such contract to the Secretary upon request;

(4) requires such other information as the Secretary determines will ensure compliance with the requirements of this title with respect to eligibility, accreditation, administrative capability and financial responsibility; and

(5) provides, at the option of the institution, for participation in one or more of the programs under part **[B or D] E**.

[(c) FINANCIAL RESPONSIBILITY STANDARDS.—(1) The Secretary shall determine whether an institution has the financial responsibility required by this title on the basis of whether the institution is able—

[(A) to provide the services described in its official publications and statements;

[(B) to provide the administrative resources necessary to comply with the requirements of this title; and

[(C) to meet all of its financial obligations, including (but not limited to) refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary.

[(2) Notwithstanding paragraph (1), if an institution fails to meet criteria prescribed by the Secretary regarding ratios that demonstrate financial responsibility, then the institution shall provide the Secretary with satisfactory evidence of its financial responsibility in accordance with paragraph (3). Such criteria shall take into account any differences in generally accepted accounting principles, and the financial statements required thereunder, that are applicable to for-profit, public, and nonprofit institutions. The Secretary shall take into account an institution's total financial cir-

cumstances in making a determination of its ability to meet the standards herein required.

[(3) The Secretary shall determine an institution to be financially responsible, notwithstanding the institution's failure to meet the criteria under paragraphs (1) and (2), if—

[(A) such institution submits to the Secretary third-party financial guarantees that the Secretary determines are reasonable, such as performance bonds or letters of credit payable to the Secretary, which third-party financial guarantees shall equal not less than one-half of the annual potential liabilities of such institution to the Secretary for funds under this title, including loan obligations discharged pursuant to section 437, and to students for refunds of institutional charges, including funds under this title;

[(B) such institution has its liabilities backed by the full faith and credit of a State, or its equivalent;

[(C) such institution establishes to the satisfaction of the Secretary, with the support of a financial statement audited by an independent certified public accountant in accordance with generally accepted auditing standards, that the institution has sufficient resources to ensure against the precipitous closure of the institution, including the ability to meet all of its financial obligations (including refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary); or

[(D) such institution has met standards of financial responsibility, prescribed by the Secretary by regulation, that indicate a level of financial strength not less than those required in paragraph (2).]

(c) *FINANCIAL RESPONSIBILITY STANDARDS.—(1) The Secretary shall determine whether an institution has the financial responsibility required by this title in accordance with paragraph (2).*

(2) An institution shall be determined to be financially responsible by the Secretary, as required by this title, if the institution is able to provide the services described in its official publications and statements, is able to provide the administrative resources necessary to comply with the requirements of this title, and meets one of the following conditions:

(A) Such institution has its liabilities backed by the full faith and credit of a State, or its equivalent.

(B) Such institution has a bond credit quality rating of investment grade or higher from a recognized credit rating agency.

(C) Such institution has expendable net assets equal to not less than one-half of the annual potential liabilities of such institution to the Secretary for funds under this title, including loan obligations discharged pursuant to section 437, and to students for refunds of institutional charges, including funds under this title, as calculated by an independent certified public accountant in accordance with generally accepted auditing standards.

(D) Such institution establishes, with the support of a financial statement audited by an independent certified public accountant in accordance with generally accepted auditing standards, that the institution has sufficient resources to ensure

against the precipitous closure of the institution, including the ability to meet all of its financial obligations (including refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary).

(E) Such institution has met criteria, prescribed by the Secretary by regulation in accordance with paragraph (3), that—

(i) establish ratios that demonstrate financial responsibility in accordance with generally accepted auditing standards as described in paragraph (7);

(ii) incorporate the procedures described in paragraph (4);

(iii) establish consequences for failure to meet the criteria described in paragraph (5); and

(iv) take into account any differences in generally accepted accounting principles, and the financial statements required thereunder, that are applicable to for-profit, public, and nonprofit institutions.

(3) The criteria prescribed pursuant to paragraph (2)(E) shall provide that the Secretary shall—

(A) not later than 6 months after an institution that is subject to the requirements of paragraph (2)(E) has submitted its annual financial statement, provide to such institution a notification of its preliminary score under such paragraph;

(B) provide to each such institution a description of the method used, and complete copies of all the calculations performed, to determine the institution's score, if such institution makes a request for such information within 45 days after receiving the notice under subparagraph (A);

(C) within 60 days of receipt by an institution of the information described in subparagraph (B)—

(i) allow the institution to correct or cure an administrative, accounting, or recordkeeping error if the error is not part of a pattern of errors and there is no evidence of fraud or misconduct related to the error;

(ii) if the institution demonstrates that the Secretary has made errors in its determination of the initial score or has used non-standard accounting practices in reaching its determination, notify the institution that its composite score has been corrected; and

(iii) take into consideration any subsequent change in the institution's overall fiscal health that would raise the institution's score;

(D) maintain and preserve at all times the confidentiality of any review until such score is determined to be final; and

(E) make a determination regarding whether the institution has met the standards of financial responsibility based on an audited and certified financial statement of the institution as described in paragraph (7).

(4) If the Secretary determines, after conducting an initial review, that the institution has not met at least one of the conditions described in subparagraphs (A) through (E) of paragraph (2) but has otherwise met the requirements of such paragraph—

(A) *the Secretary shall request information relating to such conditions for any affiliated or parent organization, company, or foundation owning or owned by the institution; and*

(B) *if such additional information demonstrates that an affiliated or parent organization, company, or foundation owning or owned by the institution meets at least one of the conditions describe in subparagraphs (A) through (E) of paragraph (2), the institution shall be determined to be financially responsible as required by this title.*

(5) *The Secretary shall establish policies and procedures to address an institution's failure to meet the criteria of paragraph (2) which shall include policies and procedures that—*

(A) *require an institution that fails to meet the criteria for three consecutive years to provide to the Secretary a financial plan;*

(B) *provide for additional oversight and cash monitoring restrictions, as appropriate;*

(C) *allow an institution to submit to the Secretary third-party financial guarantees that the Secretary determines are reasonable, such as performance bonds or letters of credit payable to the Secretary, except that an institution may not be required to obtain a letter of credit in order to be deemed financially responsible unless—*

(i) *the institution has been deemed not to be a going concern, as determined by an independent certified public accountant in accordance with generally accepted auditing standards;*

(ii) *the institution is determined by the Secretary to be at risk of precipitous closure when the full financial resources of the institution, including the value of the institution's expendable endowment, are considered; or*

(iii) *the institution is determined by the Secretary to be at risk of not meeting all of its financial obligations, including refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary; and*

(D) *provide for the removal of all requirements related to the institution's failure to meet the criteria once the criteria are met.*

[(4)] (6) *If an institution of higher education that provides a 2-year or 4-year program of instruction for which the institution awards an associate or baccalaureate degree fails to meet the criteria imposed by the Secretary pursuant to paragraph (2), the Secretary shall waive that particular requirement for that institution if the institution demonstrates to the satisfaction of the Secretary that—*

(A) *there is no reasonable doubt as to its continued solvency and ability to deliver quality educational services;*

(B) *it is current in its payment of all current liabilities, including student refunds, repayments to the Secretary, payroll, and payment of trade creditors and withholding taxes; and*

(C) *it has substantial equity in school-occupied facilities, the acquisition of which was the direct cause of its failure to meet the criteria.*

[(5)] (7) The determination as to whether an institution has met the standards of financial responsibility provided for in **[paragraphs (2) and (3)(C)] paragraph (2)** shall be based on an audited and certified financial statement of the institution. Such audit shall be conducted by a qualified independent organization or person in accordance with standards established by the American Institute of Certified Public Accountants. Such statement shall be submitted to the Secretary at the time such institution is considered for certification or recertification under this section. If the institution is permitted to be certified (provisionally or otherwise) and such audit does not establish compliance with paragraph (2), the Secretary may require that additional audits be submitted.

[(6)] (8)(A) The Secretary shall establish requirements for the maintenance by an institution of higher education of sufficient cash reserves to ensure repayment of any required refunds.

(B) The Secretary shall provide for a process under which the Secretary shall exempt an institution of higher education from the requirements described in subparagraph (A) if the Secretary determines that the institution—

(i) is located in a State that has a tuition recovery fund that ensures that the institution meets the requirements of subparagraph (A);

(ii) contributes to the fund; and

(iii) otherwise has legal authority to operate within the State.

(d) **ADMINISTRATIVE CAPACITY STANDARD.**—The Secretary is authorized—

(1) to establish procedures and requirements relating to the administrative capacities of institutions of higher education, including—

(A) consideration of past performance of institutions or persons in control of such institutions with respect to student aid programs; and

(B) maintenance of records; and

(2) to establish such other reasonable procedures as the Secretary determines will contribute to ensuring that the institution of higher education will comply with administrative capability required by this title.

(e) **FINANCIAL GUARANTEES FROM OWNERS.**—(1) Notwithstanding any other provision of law, the Secretary may, to the extent necessary to protect the financial interest of the United States, require—

(A) financial guarantees from an institution participating, or seeking to participate, in a program under this title, or from one or more individuals who the Secretary determines, in accordance with paragraph (2), exercise substantial control over such institution, or both, in an amount determined by the Secretary to be sufficient to satisfy the institution's potential liability to the Federal Government, student assistance recipients, and other program participants for funds under this title; and

(B) the assumption of personal liability, by one or more individuals who exercise substantial control over such institution, as determined by the Secretary in accordance with paragraph (2), for financial losses to the Federal Government, student as-

assistance recipients, and other program participants for funds under this title, and civil and criminal monetary penalties authorized under this title.

(2)(A) The Secretary may determine that an individual exercises substantial control over one or more institutions participating in a program under this title if the Secretary determines that—

(i) the individual directly or indirectly controls a substantial ownership interest in the institution;

(ii) the individual, either alone or together with other individuals, represents, under a voting trust, power of attorney, proxy, or similar agreement, one or more persons who have, individually or in combination with the other persons represented or the individual representing them, a substantial ownership interest in the institution; or

(iii) the individual is a member of the board of directors, the chief executive officer, or other executive officer of the institution or of an entity that holds a substantial ownership interest in the institution.

(B) The Secretary may determine that an entity exercises substantial control over one or more institutions participating in a program under this title if the Secretary determines that the entity directly or indirectly holds a substantial ownership interest in the institution.

(3) For purposes of this subsection, an ownership interest is defined as a share of the legal or beneficial ownership or control of, or a right to share in the proceeds of the operation of, an institution or institution's parent corporation. An ownership interest may include, but is not limited to—

(A) a sole proprietorship;

(B) an interest as a tenant-in-common, joint tenant, or tenant by the entirety;

(C) a partnership; or

(D) an interest in a trust.

(4) The Secretary shall not impose the requirements described in subparagraphs (A) and (B) of paragraph (1) on an institution that—

(A) has not been subjected to a limitation, suspension, or termination action by the Secretary or a guaranty agency within the preceding 5 years;

(B) has not had, during its 2 most recent audits of the institutions conduct of programs under this title, an audit finding that resulted in the institution being required to repay an amount greater than 5 percent of the funds the institution received from programs under this title for any year;

(C) meets and has met, for the preceding 5 years, the financial responsibility standards under subsection (c); and

(D) has not been cited during the preceding 5 years for failure to submit audits required under this title in a timely fashion.

(5) For purposes of section 487(c)(1)(G), this section shall also apply to individuals or organizations that contract with an institution to administer any aspect of an institution's student assistance program under this title.

(6) Notwithstanding any other provision of law, any individual who—

(A) the Secretary determines, in accordance with paragraph (2), exercises substantial control over an institution participating in, or seeking to participate in, a program under this title;

(B) is required to pay, on behalf of a student or borrower, a refund of unearned institutional charges to a lender, or to the Secretary; and

(C) willfully fails to pay such refund or willfully attempts in any manner to evade payment of such refund, shall, in addition to other penalties provided by law, be liable to the Secretary for the amount of the refund not paid, to the same extent with respect to such refund that such an individual would be liable as a responsible person for a penalty under section 6672(a) of Internal Revenue Code of 1986 with respect to the non-payment of taxes.

(f) ACTIONS ON APPLICATIONS AND SITE VISITS.—The Secretary shall ensure that prompt action is taken by the Department on any application required under subsection (b). The personnel of the Department of Education may conduct a site visit at each institution before certifying or recertifying its eligibility for purposes of any program under this title. The Secretary shall establish priorities by which institutions are to receive site visits, and shall, to the extent practicable, coordinate such visits with site visits by States, guaranty agencies, and accrediting bodies in order to eliminate duplication, and reduce administrative burden.

(g) TIME LIMITATIONS ON, AND RENEWAL OF, ELIGIBILITY.—

(1) GENERAL RULE.—After the expiration of the certification of any institution under the schedule prescribed under this section (as this section was in effect prior to the enactment of the Higher Education Act Amendments of 1998), or upon request for initial certification from an institution not previously certified, the Secretary may certify the eligibility for the purposes of any program authorized under this title of each such institution for a period not to exceed 6 years.

(2) NOTIFICATION.—The Secretary shall notify each institution of higher education not later than 6 months prior to the date of the expiration of the institution's certification.

(3) INSTITUTIONS OUTSIDE THE UNITED STATES.—The Secretary shall promulgate regulations regarding the recertification requirements applicable to an institution of higher education outside of the United States that meets the requirements of [section 102(a)(1)(C)] *section 102(a)(1)* and received less than \$500,000 in funds under [part B] *part D or E* for the most recent year for which data are available.

(h) PROVISIONAL CERTIFICATION OF INSTITUTIONAL ELIGIBILITY.—

(1) Notwithstanding subsections (d) and (g), the Secretary may provisionally certify an institution's eligibility to participate in programs under this title—

(A) for not more than one complete award year in the case of an institution of higher education seeking an initial certification; and

(B) for not more than 3 complete award years if—

(i) the institution's administrative capability and financial responsibility is being determined for the first time;

- (ii) there is a complete or partial change of ownership, as defined under subsection (i), of an eligible institution; or
- (iii) the Secretary determines that an institution that seeks to renew its certification is, in the judgment of the Secretary, in an administrative or financial condition that may jeopardize its ability to perform its financial responsibilities under a program participation agreement.

(2) Whenever the Secretary withdraws the recognition of any accrediting agency, an institution of higher education which meets the requirements of accreditation, eligibility, and certification on the day prior to such withdrawal, the Secretary may, notwithstanding the withdrawal, continue the eligibility of the institution of higher education to participate in the programs authorized by this title for a period not to exceed [18] 36 months from the date of the withdrawal of recognition.

(3) If, prior to the end of a period of provisional certification under this subsection, the Secretary determines that the institution is unable to meet its responsibilities under its program participation agreement, the Secretary may terminate the institution's participation in programs under this title.

(i) TREATMENT OF CHANGES OF OWNERSHIP.—(1) An eligible institution of higher education that has had a change in ownership resulting in a change of control shall not qualify to participate in programs under this title after the change in control (except as provided in paragraph (3)) unless it establishes that it meets the requirements of [section 102 (other than the requirements in subsections (b)(5) and (c)(3))] *sections 101 (other than the requirements in subsections (b)(1)(A) and (b)(2)) and 102 and this section after such change in control.*

(2) An action resulting in a change in control may include (but is not limited to)—

- (A) the sale of the institution or the majority of its assets;
- (B) the transfer of the controlling interest of stock of the institution or its parent corporation;
- (C) the merger of two or more eligible institutions;
- (D) the division of one or more institutions into two or more institutions;
- (E) the transfer of the controlling interest of stock of the institutions to its parent corporation; or
- (F) the transfer of the liabilities of the institution to its parent corporation.

(3) An action that may be treated as not resulting in a change in control includes (but is not limited to)—

- (A) the sale or transfer, upon the death of an owner of an institution, of the ownership interest of the deceased in that institution to a family member or to a person holding an ownership interest in that institution; or
- (B) another action determined by the Secretary to be a routine business practice.

(4)(A) The Secretary may provisionally certify an institution seeking approval of a change in ownership based on the preliminary review by the Secretary of a materially complete application that is received by the Secretary within 10 business days of the transaction for which the approval is sought.

(B) A provisional certification under this paragraph shall expire not later than the end of the month following the month in which the transaction occurred, except that if the Secretary has not issued a decision on the application for the change of ownership within that period, the Secretary may continue such provisional certification on a month-to-month basis until such decision has been issued.

(j) TREATMENT OF BRANCHES.—(1) A branch of an eligible institution of higher education, as defined pursuant to regulations of the Secretary, shall be certified under this subpart before it may participate as part of such institution in a program under this title, except that such branch shall not be required to **meet the requirements of sections 102(b)(1)(E) and 102(c)(1)(C)** *meet the requirements to be considered an institution of higher education under sections 101(b)(1)(A) and 101(b)(2)* prior to seeking such certification. Such branch is required to be in existence at least 2 years after the branch is certified by the Secretary as a branch campus participating in a program under this title, prior to seeking certification as a main campus or free-standing institution.

(2) The Secretary may waive the requirement of section 101(a)(2) for a branch that (A) is not located in a State, (B) is affiliated with an eligible institution, and (C) was participating in one or more programs under this title on or before January 1, 1992.

(k) TREATMENT OF TEACH-OUTS AT ADDITIONAL LOCATIONS.—

(1) IN GENERAL.—A location of a closed institution of higher education shall be eligible as an additional location of an eligible institution of higher education, as defined pursuant to regulations of the Secretary, for the purposes of a teach-out described in section **487(f)** *487(e)*, if such teach-out has been approved by the institution's accrediting agency.

(2) SPECIAL RULE.—An institution of higher education that conducts a teach-out through the establishment of an additional location described in paragraph (1) shall be permitted to establish a permanent additional location at a closed institution and shall not be required—

(A) to **meet the requirements of sections 102(b)(1)(E) and 102(c)(1)(C)** *meet the requirements to be considered an institution of higher education under sections 101(b)(1)(A) and 101(b)(2)* for such additional location; or

(B) to assume the liabilities of the closed institution.

SEC. 498A. PROGRAM REVIEW AND DATA.

(a) GENERAL AUTHORITY.—In order to strengthen the administrative capability and financial responsibility provisions of this title, the Secretary—

(1) shall provide for the conduct of program reviews on a systematic basis designed to include all institutions of higher education participating in programs authorized by this title;

(2) shall give priority for program review to institutions of higher education that are—

(A) institutions with a cohort default rate for loans under **part B of** this title in excess of 25 percent or which places such institutions in the highest 25 percent of such institutions, *or after the transition period described in section 481B(e)(3), institutions in which 25 percent or more of the educational programs have a loan repayment rate*

(defined in section 481B(c)) for the most recent fiscal year of less than 50 percent;

(B) institutions with a default rate in dollar volume for loans under [part B of] this title which places the institutions in the highest 25 percent of such institutions, *except that this subparagraph shall not apply after the transition period described in section 481B(e)(3)*;

(C) institutions with a significant fluctuation in Federal Stafford Loan volume, Federal Direct Stafford/Ford Loan volume, *Federal ONE Loan volume*, or Federal Pell Grant award volume, or any combination thereof, in the year for which the determination is made, compared to the year prior to such year, that are not accounted for by changes in the Federal Stafford Loan program, the Federal Direct Stafford/Ford Loan program, *Federal ONE Loan program*, or the Pell Grant program, or any combination thereof;

(D) institutions reported to have deficiencies or financial aid problems by the State licensing or authorizing agency, or by the appropriate accrediting agency or association;

(E) institutions with high annual dropout rates; and

(F) such other institutions that the Secretary determines may pose a significant risk of failure to comply with the administrative capability or financial responsibility provisions of this title; and

(3) shall establish and operate a central data base of information on institutional accreditation, eligibility, and certification that includes—

(A) all relevant information available to the Department;

(B) all relevant information made available by the Secretary of Veterans Affairs;

(C) all relevant information from accrediting agencies or associations;

(D) all relevant information available from a guaranty agency; and

(E) all relevant information available from States under subpart 1.

(b) SPECIAL ADMINISTRATIVE RULES.—In carrying out paragraphs (1) and (2) of subsection (a) and any other relevant provisions of this title, the Secretary shall—

(1) establish guidelines designed to ensure uniformity of practice in the conduct of program reviews of institutions of higher education;

(2) make available to each institution participating in programs authorized under this title complete copies of all review guidelines and procedures used in program reviews;

(3) *as practicable, provide a written explanation to the institution of higher education detailing the Secretary's reasons for initiating the program review which, if applicable, shall include references to specific criteria under subsection (a)(2)*;

[(3)] (4) permit the institution to correct or cure an administrative, accounting, or recordkeeping error if the error is not part of a pattern of error and there is no evidence of fraud or misconduct related to the error;

[(4)] (5) base any civil penalty assessed against an institution of higher education resulting from a program review or

audit on the gravity of the violation, failure, or misrepresentation;

[(5)] (6) inform the appropriate State and accrediting agency or association whenever the Secretary takes action against an institution of higher education under this section, section 498, or section 432;

[(6)] (7) provide to an institution of higher education an adequate opportunity to review and respond to any program review report and relevant materials related to the report before any final program review report is issued;

[(7)] (8) review and take into consideration an institution of higher education's response in any final program review report or audit determination, and include in the report or determination—

(A) a written statement addressing the institution of higher education's response;

(B) a written statement of the basis for such report or determination; and

(C) a copy of the institution's response; and

[(8)] (9) maintain and preserve at all times the confidentiality of any program review report until the requirements of [paragraphs (6) and (7)] *paragraphs (7) and (8)* are met, and until a final program review is issued, other than to the extent required to comply with [paragraph (5)] *paragraph (6)*, except that the Secretary shall promptly disclose any and all program review reports to the institution of higher education under review.

(c) DATA COLLECTION RULES.—The Secretary shall develop and carry out a plan for the data collection responsibilities described in paragraph (3) of subsection (a). The Secretary shall make the information obtained under such paragraph (3) readily available to all institutions of higher education, guaranty agencies, States, and other organizations participating in the programs authorized by this title.

(d) TRAINING.—The Secretary shall provide training to personnel of the Department, including criminal investigative training, designed to improve the quality of financial and compliance audits and program reviews conducted under this title.

(e) SPECIAL RULE.—The provisions of section 103(b) of the Department of Education Organization Act shall not apply to Secretarial determinations made regarding the appropriate length of instruction for programs measured in clock hours.

(f) TIME LIMIT ON PROGRAM REVIEW ACTIVITIES.—*In conducting, responding to, and concluding program review activities, the Secretary shall—*

(1) *provide to the institution the initial report finding not later than 90 days after concluding an initial site visit;*

(2) *upon each receipt of an institution's response during a program review inquiry, respond in a substantive manner within 90 days;*

(3) *upon each receipt of an institution's written response to a draft final program review report, provide the final program review report and accompanying enforcement actions, if any, within 90 days; and*

(4) *conclude the entire program review process not later than 2 years after the initiation of a program review, unless the Secretary determines that such a review is sufficiently complex and cannot reasonably be concluded before the expiration of such 2-year period, in which case the Secretary shall promptly notify the institution of the reasons for such delay and provide an anticipated date for conclusion of the review.*

SEC. 498B. REVIEW OF REGULATIONS.

(a) **REVIEW REQUIRED.**—The Secretary shall review each regulation issued under this title that is in effect at the time of the review and applies to the operations or activities of any participant in the programs assisted under this title. The review shall include a determination of whether the regulation is duplicative, or is no longer necessary. The review may involve one or more of the following:

- (1) An assurance of the uniformity of interpretation and application of such regulations.
- (2) The establishment of a process for ensuring that eligibility and compliance issues, such as institutional audit, program review, and recertification, are considered simultaneously.
- (3) A determination of the extent to which unnecessary costs are imposed on institutions of higher education as a consequence of the applicability to the facilities and equipment of such institutions of regulations prescribed for purposes of regulating industrial and commercial enterprises.

(b) **REGULATORY AND STATUTORY RELIEF FOR SMALL VOLUME INSTITUTIONS.**—The Secretary shall review and evaluate ways in which regulations under and provisions of this Act affecting institution of higher education (other than institutions described in [section 102(a)(1)(C)] *section 102(a)(1)*), that have received in each of the two most recent award years prior to the date of the enactment of the Higher Education Amendments of 1998 less than \$200,000 in funds through this title, may be improved, streamlined, or eliminated.

(c) **CONSULTATION.**—In carrying out subsections (a) and (b), the Secretary shall consult with relevant representatives of institutions participating in the programs authorized by this title.

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TITLE V—DEVELOPING INSTITUTIONS

PART A—HISPANIC-SERVING INSTITUTIONS

* * * * *

SEC. 502. DEFINITIONS; ELIGIBILITY.

(a) **DEFINITIONS.**—For the purpose of this title:

(1) **EDUCATIONAL AND GENERAL EXPENDITURES.**—The term “educational and general expenditures” means the total amount expended by an [institution for instruction] *institution of higher education for instruction*, research, public service, academic support (including library expenditures), student services, institutional support, scholarships and fellowships,

operation and maintenance expenditures for the physical plant, and any mandatory transfers that the institution is required to pay by law.

(2) ELIGIBLE INSTITUTION.—The term “eligible institution” means—

(A) an institution of higher education—

(i) that has an enrollment of needy students as required by subsection (b);

(ii) except as provided in section 522(b), the average educational and general expenditures of which are low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditures per full-time equivalent undergraduate student of institutions that offer similar instruction;

(iii) that is—

(I) legally authorized to provide, and provides within the State, an educational program for which the institution awards a bachelor’s degree; or

(II) a junior or community college;

(iv) that is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be reliable authority as to the quality of training offered or that is, according to such an agency or association, making reasonable progress toward accreditation;

[(vi)] (v) that is located in a State (as defined in section 103(20)(A)); and

[(v)] (vi) that meets such other requirements as the Secretary may prescribe; [and]

(B) any branch of any institution of higher education described under subparagraph (A) that by itself satisfies the requirements contained in clauses (i) and (ii) of such subparagraph[.]; and

(C) except as provided in section 522(b), an institution that has a completion rate of at least 25 percent that is calculated by—

(i) counting a student as completed if that student graduated within 150 percent of the normal time for completion; or

(ii) counting a student as completed if that student enrolled into another program at an institution for which the previous program provided substantial preparation within 150 percent of normal time for completion.

For purposes of the determination of whether an institution is an eligible institution under this paragraph, the factor described under subparagraph (A)(i) shall be given twice the weight of the factor described under subparagraph (A)(ii).

(3) ENDOWMENT FUND.—The term “endowment fund” means a fund that—

(A) is established by State law, by a Hispanic-serving institution, or by a foundation that is exempt from Federal income taxation;

(B) is maintained for the purpose of generating income for the support of the institution; and

(C) does not include real estate.

(4) FULL-TIME EQUIVALENT STUDENTS.—The term “full-time equivalent students” means the sum of the number of students enrolled full time at an institution, plus the full-time equivalent of the number of students enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by 12) at such institution.

(5) HISPANIC-SERVING INSTITUTION.—The term “Hispanic-serving institution” means an institution of higher education that—

(A) is an eligible institution; and

(B) has an enrollment of undergraduate full-time equivalent students that is at least 25 percent Hispanic students at the end of the award year immediately preceding the date of application.

(6) JUNIOR OR COMMUNITY COLLEGE.—The term “junior or community college” means an institution of higher education—

(A) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

(B) that does not provide an educational program for which the institution awards a bachelor’s degree (or an equivalent degree); and

(C) that—

(i) provides an educational program of not less than 2 years in duration that is acceptable for full credit toward such a degree; or

(ii) offers a 2-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

(b) ENROLLMENT OF NEEDY STUDENTS.—For the purpose of this title, the term “enrollment of needy students” means an enrollment at an institution with respect to which—

(1) at least 50 percent of the degree students so enrolled are receiving need-based assistance under title IV in the second fiscal year preceding the fiscal year for which the determination is made (other than loans for which an interest subsidy is paid pursuant to section 428); or

(2) a substantial percentage of the students so enrolled are receiving Federal Pell Grants in the second fiscal year preceding the fiscal year for which the determination is made, compared to the percentage of students receiving Federal Pell Grants at all such institutions in the second fiscal year preceding the fiscal year for which the determination is made, unless the requirement of this paragraph is waived under section 522(a).

SEC. 503. AUTHORIZED ACTIVITIES.

(a) **TYPES OF ACTIVITIES AUTHORIZED.**—Grants awarded under this title shall be used by Hispanic-serving institutions of higher education to assist the institutions to plan, develop, undertake, and carry out programs to improve and expand the institutions' capacity to serve Hispanic students and other low-income students.

(b) **AUTHORIZED ACTIVITIES.**—Grants awarded under this section shall be used for one or more of the following activities:

(1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

(2) Construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities.

(3) Support of faculty exchanges, faculty development, curriculum development, academic instruction, and faculty fellowships to assist in attaining advanced degrees in the fellow's field of instruction.

(4) Purchase of library books, periodicals, and other educational materials, including telecommunications program material.

(5) Tutoring, [counseling, and] *counseling, advising, and* student service programs designed to improve academic success, including innovative and customized instruction courses (which may include remedial education and English language instruction) designed to help retain students and move the students rapidly into core courses and through program completion.

(6) Articulation agreements and student support programs designed to facilitate the transfer from two-year to four-year institutions.

(7) Funds management, administrative management, and acquisition of equipment for use in strengthening [funds management] *funds and administrative management*.

(8) Joint use of facilities, such as laboratories and libraries.

(9) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

(10) Establishing or improving an endowment fund.

(11) [Creating or improving facilities for Internet or other distance education technologies,] *Innovative learning models and creating or improving facilities for Internet or other innovative technologies*, including purchase or rental of telecommunications technology equipment or services.

(12) Establishing or enhancing a program of teacher education designed to qualify students to teach in public elementary schools and secondary schools.

(13) Establishing community outreach programs that will encourage elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education.

(14) Expanding the number of Hispanic and other underrepresented graduate and professional students that can be served by the institution by expanding courses and institutional resources.

(15) Providing education, counseling services, or financial information designed to improve the financial literacy and economic literacy of students or the students' families, especially with regard to student indebtedness and student assistance programs under title IV.

(16) *The development, coordination, implementation, or improvement of career and technical education programs (as defined in section 135 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2355)).*

(17) *Alignment and integration of career and technical education programs with programs of study leading to a bachelor's degree, graduate degree, or professional degree.*

(18) *Developing or expanding access to dual or concurrent enrollment programs and early college high school programs.*

(19) *Pay for success initiatives that improve time to completion and increase graduation rates.*

[(16)] (20) Other activities proposed in the application submitted pursuant to section 504 that—

(A) contribute to carrying out the purposes of this title; and

(B) are approved by the Secretary as part of the review and acceptance of such application.

(c) ENDOWMENT FUND LIMITATIONS.—

(1) PORTION OF GRANT.—A Hispanic-serving institution may not use more than 20 percent of the grant funds provided under this title for any fiscal year for establishing or improving an endowment fund.

(2) MATCHING REQUIRED.—A Hispanic-serving institution that uses any portion of the grant funds provided under this title for any fiscal year for establishing or improving an endowment fund shall provide from non-Federal funds an amount equal to or greater than the portion.

(3) COMPARABILITY.—The provisions of part C of title III regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this subsection, shall apply to funds used under paragraph (1).

(4) SCHOLARSHIP.—*An institution that uses grant funds provided under this part to establish or increase an endowment fund may use the income from such endowment fund to provide scholarships to students for the purposes of attending such institution, subject to the limitation in section 331(c)(3)(B)(i).*

SEC. 504. DURATION OF GRANT.

[(a) AWARD PERIOD.—The Secretary may award a grant to a Hispanic-serving institution under this title for 5 years.]

(a) AWARD PERIOD.—*The Secretary may award a grant to a Hispanic-serving institution under this part for a period of 5 years. Any funds awarded under this part that are not expended or used, before the date that is 10 years after the date on which the grant was awarded, for the purposes for which the funds were paid shall be repaid to the Treasury.*

(b) PLANNING GRANTS.—Notwithstanding subsection (a), the Secretary may award a grant to a Hispanic-serving institution under this title for a period of 1 year for the purpose of preparation of plans and applications for a grant under this title.

SEC. 505. SPECIAL RULE.

No Hispanic-serving institution that is eligible for and receives funds under [this title] *this part* may receive funds under part A or B of title III during the period for which funds under [this title] *this part* are awarded.

PART B—PROMOTING POSTBACCALAUREATE OPPORTUNITIES FOR HISPANIC AMERICANS

* * * * *

SEC. 513. AUTHORIZED ACTIVITIES.

Grants awarded under this part shall be used for one or more of the following activities:

[(1)] Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

[(2)] Construction, maintenance, renovation, and improvement of classrooms, libraries, laboratories, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services.

[(3)] Purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials.]

(1) The activities described in (1) through (4), (11), and (19) of section 503(b).

[(4)] (2) Support for low-income postbaccalaureate students including outreach, academic support services, mentoring, scholarships, fellowships, and other financial assistance to permit the enrollment of such students in postbaccalaureate certificate and postbaccalaureate degree granting programs.

[(5)] (3) Support of faculty exchanges, faculty development, faculty research, curriculum development, and academic instruction.

[(6)] (4) [Creating or improving facilities for Internet or other distance education technologies,] *Innovative learning models and creating or improving facilities for Internet or other innovative technologies*, including purchase or rental of telecommunications technology equipment or services.

[(7)] (5) Collaboration with other institutions of higher education to expand postbaccalaureate certificate and postbaccalaureate degree offerings.

[(8)] (6) Other activities proposed in the application submitted pursuant to section 514 that—

(A) contribute to carrying out the purposes of this part; and

(B) are approved by the Secretary as part of the review and acceptance of such application.

SEC. 514. APPLICATION AND DURATION.

(a) APPLICATION.—Any eligible institution may apply for a grant under this part by submitting an application to the Secretary at such time and in such manner as the Secretary may require. Such application shall demonstrate how the grant funds will be used to

improve postbaccalaureate education opportunities for Hispanic and low-income students.

[(b) DURATION.—Grants under this part shall be awarded for a period not to exceed five years.]

(b) DURATION.—The Secretary may award a grant to a Hispanic-serving institution under this part for a period of 5 years. Any funds awarded under this part that are not expended or used for the purposes for which the funds were paid within 10 years following the date on which the grant was awarded shall be repaid to the Treasury.

(c) LIMITATION.—The Secretary may not award more than one grant under this part in any fiscal year to any Hispanic-serving institution.

(d) SPECIAL RULE.—No Hispanic-serving institution that is eligible for and receives funds under this part may receive funds under part A or B of title III during the period for which funds under this part are awarded.

PART C—GENERAL PROVISIONS

SEC. 521. ELIGIBILITY; APPLICATIONS.

(a) INSTITUTIONAL ELIGIBILITY.—Each Hispanic-serving institution desiring to receive assistance under this title shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is a Hispanic-serving institution as defined in section 502, along with such other data and information as the Secretary may by regulation require.

(b) APPLICATIONS.—

(1) APPLICATIONS REQUIRED.—Any institution which is eligible for assistance under this title shall submit to the Secretary an application for assistance at such time, in such form, and containing such information, as may be necessary to enable the Secretary to evaluate the institution's need for assistance. Subject to the availability of appropriations to carry out this title, the Secretary may approve an application for a grant under this title only if the Secretary determines that—

(A) the application meets the requirements of subsection (c); and

(B) the institution is eligible for assistance in accordance with the provisions of this title under which the assistance is sought.

(2) PRELIMINARY APPLICATIONS.—In carrying out paragraph (1), the Secretary may develop a preliminary application for use by Hispanic-serving institutions applying under this title prior to the submission of the principal application.

(c) CONTENTS.—A Hispanic-serving institution, in the institution's application for a grant, shall—

(1) set forth, or describe how the institution will develop, a comprehensive development plan to strengthen the institution's academic quality and institutional management, and otherwise provide for institutional self-sufficiency and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);

(2) include a 5-year plan for improving the assistance provided by the Hispanic-serving institution to Hispanic students and other low-income individuals;

(3) set forth policies and procedures to ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of section 501(b), and in no case supplant those funds;

(4) set forth policies and procedures for evaluating the effectiveness in accomplishing the purpose of the activities for which a grant is sought under this title;

(5) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds made available to the institution under this title;

(6) provide that the institution will comply with the limitations set forth in section 526;

(7) describe in a comprehensive manner any proposed project for which funds are sought under the application and include—

(A) a description of the various components of the proposed project, including the estimated time required to complete each such component;

(B) in the case of any development project that consists of several components (as described by the institution pursuant to subparagraph (A)), a statement identifying those components which, if separately funded, would be sound investments of Federal funds and those components which would be sound investments of Federal funds only if funded under this title in conjunction with other parts of the development project (as specified by the institution);

[(C) an evaluation by the institution of the priority given any proposed project for which funds are sought in relation to any other projects for which funds are sought by the institution under this title, and a similar evaluation regarding priorities among the components of any single proposed project (as described by the institution pursuant to subparagraph (A));]

[(D)] (C) a detailed budget showing the manner in which funds for any proposed project would be spent by the institution; and

[(E)] (D) a detailed description of any activity which involves the expenditure of more than \$25,000, as identified in the budget referred to in [subparagraph (D)] *subparagraph (C)*;

(8) provide for making reports, in such form and containing such information, as the Secretary may require to carry out the Secretary's functions under this title, including not less than one report annually setting forth the institution's progress toward achieving the objectives for which the funds were awarded and for keeping such records and affording such access to such records, as the Secretary may find necessary to assure the correctness and verification of such reports; and

(9) include such other information as the Secretary may prescribe.

(d) **PRIORITY.**—With respect to applications for assistance under this section, the Secretary shall give priority to an application that contains satisfactory evidence that the Hispanic-serving institution has entered into or will enter into a collaborative arrangement with at least one local educational agency or community-based organization to provide such agency or organization with assistance (from funds other than funds provided under this title) in reducing dropout rates for Hispanic students, improving rates of academic achievement for Hispanic students, and increasing the rates at which Hispanic secondary school graduates enroll in higher education.

(e) **ELIGIBILITY DATA.**—The Secretary shall use the most recent and relevant data concerning the number and percentage of students receiving need-based assistance under title IV in making eligibility determinations and shall advance the base-year for the determinations forward following each annual grant cycle.

SEC. 522. WAIVER AUTHORITY AND REPORTING REQUIREMENT.

(a) **WAIVER REQUIREMENTS; NEED-BASED ASSISTANCE STUDENTS.**—The Secretary may waive the requirements set forth in section 502(a)(2)(A)(i) in the case of an institution—

(1) that is extensively subsidized by the State in which the institution is located and charges low or no tuition;

(2) that serves a substantial number of low-income students as a percentage of the institution's total student population;

(3) that is contributing substantially to increasing higher education opportunities for educationally disadvantaged, underrepresented, or minority students, who are low-income individuals;

(4) which is substantially increasing higher educational opportunities for individuals in rural or other isolated areas which are unserved by postsecondary institutions; or

(5) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of Hispanic Americans.

(b) **WAIVER DETERMINATIONS; EXPENDITURES; COMPLETION RATES.**—

(1) **WAIVER DETERMINATIONS.**—The Secretary may waive the requirements set forth in section 502(a)(2)(A)(ii) or 502(a)(2)(C) if the Secretary determines, based on persuasive evidence submitted by the institution, that the institution's failure to meet the requirements is due to factors which, when used in the determination of compliance with the requirements, distort such determination, and that the institution's designation as an eligible institution under part A is otherwise consistent with the purposes of this title.

(2) **EXPENDITURES AND COMPLETION RATES.**—The Secretary shall submit to Congress every other year a report concerning the institutions that, although not satisfying the requirements of section 502(a)(2)(A)(ii) or 502(a)(2)(C), have been determined to be eligible institutions under part A. Such report shall—

(A) identify the factors referred to in paragraph (1) that were considered by the Secretary as factors that distorted the determination of compliance with clauses (i) and (ii) of section 502(a)(2)(A) or section 502(a)(2)(C); and

(B) contain a list of each institution determined to be an eligible institution under part A including a statement of the reasons for each such determination.

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SEC. 524. COOPERATIVE ARRANGEMENTS.

(a) GENERAL AUTHORITY.—The Secretary may make grants to encourage cooperative arrangements with funds available to carry out this title, between Hispanic-serving institutions eligible for assistance under this title, and between such institutions and institutions not receiving assistance under this title, for the activities described in sections 503 and 513 so that the resources of the cooperating institutions might be combined and shared in order to achieve the purposes of this title, to avoid costly duplicative efforts, and to enhance the development of Hispanic-serving institutions.

(b) PRIORITY.—The Secretary shall give priority to grants for the purposes described under subsection (a) whenever the Secretary determines that the cooperative arrangement is geographically and economically sound or will benefit the applicant Hispanic-serving institution.

(c) DURATION.—Grants to Hispanic-serving institutions having a cooperative arrangement may be made under this section for a period determined under [section 505] *section 504*.

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SEC. 528. AUTHORIZATIONS OF APPROPRIATIONS.

(a) AUTHORIZATIONS.—

(1) PARTS A AND C.—There are authorized to be appropriated to carry out [parts A and C \$175,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years.] *parts A and C, \$107,795,000 for each of fiscal years 2019 through 2024.*

(2) PART B.—There are authorized to be appropriated to carry out [part B \$100,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years.] *part B, \$9,671,000 for each of fiscal years 2019 through 2024.*

(b) USE OF MULTIPLE YEAR AWARDS.—In the event of a multiple year award to any Hispanic-serving institution under this title, the Secretary shall make funds available for such award from funds appropriated for this title for the fiscal year in which such funds are to be used by the institution.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

PART A—INTERNATIONAL AND FOREIGN LANGUAGE STUDIES

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SEC. 602. GRADUATE AND UNDERGRADUATE LANGUAGE AND AREA CENTERS AND PROGRAMS.

(a) NATIONAL LANGUAGE AND AREA CENTERS AND PROGRAMS AUTHORIZED.—

(1) CENTERS AND PROGRAMS.—

(A) IN GENERAL.—The Secretary is authorized to make grants to institutions of higher education or consortia of such institutions for the purpose of establishing, strengthening, and operating—

- (i) comprehensive foreign language and area or international studies centers and programs; and
- (ii) a diverse network of undergraduate foreign language and area or international studies centers and programs.

(B) NATIONAL RESOURCES.—The centers and programs referred to in paragraph (1) shall be national resources for—

- (i) teaching of any modern foreign language;
- (ii) instruction in fields needed to provide full understanding of areas, regions, or countries in which such language is commonly used;
- (iii) research and training in international studies, and the international and foreign language aspects of professional and other fields of study; and
- (iv) instruction and research on issues in world affairs that concern one or more countries.

(2) AUTHORIZED ACTIVITIES.—Any such grant may be used to pay all or part of the cost of establishing or operating a center or program, including the cost of—

- (A) teaching and research materials;
- (B) curriculum planning and development;
- (C) establishing and maintaining linkages with overseas institutions of higher education and other organizations that may contribute to the teaching and research of the center or program;
- (D) bringing visiting scholars and faculty to the center to teach or to conduct research;
- (E) professional development of the center's faculty and staff;
- (F) projects conducted in cooperation with other centers addressing themes of world regional, cross-regional, international, or global importance;
- (G) summer institutes in the United States or abroad designed to provide language and area training in the center's field or topic;
- (H) support for faculty, staff, and student travel in foreign areas, regions, or countries, and for the development and support of educational programs abroad for students;
- (I) supporting instructors of the less commonly taught languages; and
- (J) projects that support students in the science, technology, engineering, and mathematics fields to achieve foreign language proficiency.

(3) GRANTS TO MAINTAIN LIBRARY COLLECTIONS.—The Secretary may make grants to centers described in paragraph (1) having important library collections, as determined by the Secretary, for the maintenance of such collections.

(4) **OUTREACH GRANTS AND SUMMER INSTITUTES.**—The Secretary may make additional grants to centers described in paragraph (1) for any one or more of the following purposes:

(A) Programs of linkage or outreach between foreign language, area studies, or other international fields, and professional schools and colleges.

(B) Programs of linkage or outreach with 2- and 4-year colleges and universities.

(C) Programs of linkage or outreach between or among—

(i) postsecondary programs or departments in foreign language, area studies, or other international fields; and

(ii) State educational agencies or local educational agencies.

(D) Partnerships or programs of linkage and outreach with departments or agencies of Federal and State governments, including Federal or State scholarship programs for students in related areas.

(E) Programs of linkage or outreach with the news media, business, professional, or trade associations.

(F) Summer institutes in area studies, foreign language, and other international fields designed to carry out the programs described in subparagraphs (A), (B), (C), (D), and (E).

(b) **FELLOWSHIPS FOR FOREIGN LANGUAGE AND AREA OR INTERNATIONAL STUDIES.**—

(1) **IN GENERAL.**—The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions for the purpose of paying stipends to individuals undergoing advanced training in any center or program approved by the Secretary.

(2) **ELIGIBLE STUDENTS.**—A student receiving a stipend described in paragraph (1) shall be engaged—

(A) in an instructional program with stated performance goals for functional foreign language use or in a program developing such performance goals, in combination with area studies, international studies, or the international aspects of a professional studies program; and

(B)(i) in the case of an undergraduate student, in the intermediate or advanced study of a less commonly taught language; or

(ii) in the case of a graduate student, in graduate study in connection with a program described in subparagraph (A), including—

(I) predissertation level study;

(II) preparation for dissertation research;

(III) dissertation research abroad; or

(IV) dissertation writing.

(c) **SPECIAL RULE WITH RESPECT TO TRAVEL.**—No funds may be expended under this part for undergraduate travel except in accordance with rules prescribed by the Secretary setting forth policies and procedures to assure that Federal funds made available for such travel are expended as part of a formal program of supervised study.

(d) **ALLOWANCES.**—

(1) GRADUATE LEVEL RECIPIENTS.—A stipend awarded to a graduate level recipient may include allowances for dependents and for travel for research and study in the United States and abroad.

(2) UNDERGRADUATE LEVEL RECIPIENTS.—A stipend awarded to an undergraduate level recipient may include an allowance for educational programs in the United States or educational programs abroad that—

(A) are closely linked to the overall goals of the recipient's course of study; and

(B) have the purpose of promoting foreign language fluency and knowledge of foreign cultures.

[(e) APPLICATION.—] [Each institution] (e) APPLICATION.—

(1) SUBMISSION; CONTENTS.—*Each institution* of higher education or consortium of such institutions desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information and assurances as the Secretary may require. Each such application shall include—

[(1)] (A) an explanation of how the activities funded by the grant will reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs; and

[(2)] (B) a description of how the applicant will encourage government service in areas of national need, as identified by the Secretary, as well as in areas of need in the education, business, and nonprofit sectors.

(2) APPROVAL.—*The Secretary may approve an application for a grant if an institution, in its application, provides adequate assurances that it will comply with paragraph (1)(A). The Secretary shall use the requirement of paragraph (1)(A) as part of the application evaluation, review, and approval process when determining grant recipients for initial funding and continuation awards.*

* * * * *

[SEC. 604. UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.

[(a) INCENTIVES FOR THE CREATION OF NEW PROGRAMS AND THE STRENGTHENING OF EXISTING PROGRAMS IN UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.—

[(1) AUTHORITY.—The Secretary is authorized to make grants to institutions of higher education, consortia of such institutions, or partnerships between nonprofit educational organizations and institutions of higher education, to assist such institutions, consortia or partnerships in planning, developing, and carrying out programs to improve undergraduate instruction in international studies and foreign languages. Such grants shall be awarded to institutions, consortia or partnerships seeking to create new programs or to strengthen existing programs in foreign languages, area studies, and other international fields.

[(2) USE OF FUNDS.—Grants made under this section may be used for the Federal share of the cost of projects and activities which are an integral part of such a program, such as—

[(A) planning for the development and expansion of undergraduate programs in international studies and foreign languages;

[(B) teaching, research, curriculum development, faculty training in the United States or abroad, and other related activities, including—

[(i) the expansion of library and teaching resources; and

[(ii) pre-service teacher training and in-service teacher professional development;

[(C) expansion of opportunities for learning foreign languages, including less commonly taught languages;

[(D) programs under which foreign teachers and scholars may visit institutions as visiting faculty;

[(E) programs designed to develop or enhance linkages between 2- and 4-year institutions of higher education, or baccalaureate and post-baccalaureate programs or institutions;

[(F) the development of undergraduate educational programs—

[(i) in locations abroad where such opportunities are not otherwise available or that serve students for whom such opportunities are not otherwise available; and

[(ii) that provide courses that are closely related to on-campus foreign language and international curricula;

[(G) the integration of new and continuing education abroad opportunities for undergraduate students into curricula of specific degree programs;

[(H) the development of model programs to enrich or enhance the effectiveness of educational programs abroad, including predeparture and postreturn programs, and the integration of educational programs abroad into the curriculum of the home institution;

[(I) the provision of grants for educational programs abroad that—

[(i) are closely linked to the program's overall goals; and

[(ii) have the purpose of promoting foreign language fluency and knowledge of world regions;

[(J) the development of programs designed to integrate professional and technical education with foreign languages, area studies, and other international fields;

[(K) the establishment of linkages overseas with institutions of higher education and organizations that contribute to the educational programs assisted under this subsection;

[(L) the conduct of summer institutes in foreign area, foreign language, and other international fields to provide faculty and curriculum development, including the integration of professional and technical education with foreign area and other international studies, and to provide foreign area and other international knowledge or skills to

government personnel or private sector professionals in international activities;

[(M) the development of partnerships between—

[(i) institutions of higher education; and

[(ii) the private sector, government, or elementary and secondary education institutions, in order to enhance international knowledge and skills; and

[(N) the use of innovative technology to increase access to international education programs.

[(3) NON-FEDERAL SHARE.—The non-Federal share of the cost of the programs assisted under this subsection—

[(A) may be provided in cash from the private sector corporations or foundations in an amount equal to one-third of the total cost of the programs assisted under this section; or

[(B) may be provided as an in-cash or in-kind contribution from institutional and noninstitutional funds, including State and private sector corporation or foundation contributions, equal to one-half of the total cost of the programs assisted under this section.

[(4) SPECIAL RULE.—The Secretary may waive or reduce the required non-Federal share for institutions that—

[(A) are eligible to receive assistance under part A or B of title III or under title V; and

[(B) have submitted a grant application under this section that demonstrates a need for a waiver or reduction.

[(5) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications from institutions of higher education, consortia or partnerships that require entering students to have successfully completed at least 2 years of secondary school foreign language instruction or that require each graduating student to earn 2 years of postsecondary credit in a foreign language (or have demonstrated equivalent competence in the foreign language) or, in the case of a 2-year degree granting institution, offer 2 years of postsecondary credit in a foreign language.

[(6) GRANT CONDITIONS.—Grants under this subsection shall reflect the purposes of this part and be made on such conditions as the Secretary determines to be necessary to carry out this subsection.

[(7) APPLICATION.—Each application for assistance under this subsection shall include—

[(A) evidence that the applicant has conducted extensive planning prior to submitting the application;

[(B) an assurance that the faculty and administrators of all relevant departments and programs served by the applicant are involved in ongoing collaboration with regard to achieving the stated objectives of the application;

[(C) an assurance that students at the applicant institutions, as appropriate, will have equal access to, and derive benefits from, the program assisted under this subsection;

[(D) an assurance that each applicant, consortium, or partnership will use the Federal assistance provided under this subsection to supplement and not supplant non-Fed-

eral funds the institution expends for programs to improve undergraduate instruction in international studies and foreign languages;

[(E) a description of how the applicant will provide information to students regarding federally funded scholarship programs in related areas;

[(F) an explanation of how the activities funded by the grant will reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs, where applicable; and

[(G) a description of how the applicant will encourage service in areas of national need, as identified by the Secretary.

[(8) EVALUATION.—The Secretary may establish requirements for program evaluations and require grant recipients to submit annual reports that evaluate the progress and performance of students participating in programs assisted under this subsection.

[(b) PROGRAMS OF NATIONAL SIGNIFICANCE.—The Secretary may also award grants to public and private nonprofit agencies and organizations, including professional and scholarly associations, whenever the Secretary determines such grants will make an especially significant contribution to improving undergraduate international studies and foreign language programs.

[(c) FUNDING SUPPORT.—

[(1) IN GENERAL.—The Secretary may use not more than 20 percent of the total amount appropriated for this part for carrying out the purposes of this section.

[(2) GRANTEES.—Of the total amount of grant funds awarded to a grantee under this section, the grantee may use not more than ten percent of such funds for the activity described in subsection (a)(2)(I).]

SEC. [605.] 604. RESEARCH; STUDIES; ANNUAL REPORT.

(a) AUTHORIZED ACTIVITIES.—The Secretary may, directly or through grants or contracts, conduct research and studies that contribute to achieving the purposes of this part. Such research and studies may include—

(1) studies and surveys to determine needs for increased or improved instruction in foreign language, area studies, or other international fields, including the demand for foreign language, area, and other international specialists in government, education, and the private sector;

(2) studies and surveys to assess the utilization of graduates of programs supported under this title by governmental, educational, and private sector organizations and other studies assessing the outcomes and effectiveness of programs so supported;

(3) evaluation of the extent to which programs assisted under this title that address national needs would not otherwise be offered;

(4) comparative studies of the effectiveness of strategies to provide international capabilities at institutions of higher education;

(5) research on more effective methods of providing instruction and achieving competency in foreign languages, area studies, or other international fields;

(6) the development and publication of specialized materials for use in foreign language, area studies, and other international fields, or for training foreign language, area, and other international specialists;

(7) studies and surveys of the uses of technology in foreign language, area studies, and international studies programs;

(8) studies and evaluations of effective practices in the dissemination of international information, materials, research, teaching strategies, and testing techniques throughout the education community, including elementary and secondary schools;

(9) the application of performance tests and standards across all areas of foreign language instruction and classroom use;

(10) evaluation of the extent to which programs assisted under this title reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs, as described in the grantee's application;

(11) the systematic collection, analysis, and dissemination of data that contribute to achieving the purposes of this part; and

(12) support for programs or activities to make data collected, analyzed, or disseminated under this section publicly available and easy to understand.

(b) ANNUAL REPORT.—The Secretary shall prepare, publish, and announce an annual report listing the books and research materials produced with assistance under this section.

[SEC. 606. TECHNOLOGICAL INNOVATION AND COOPERATION FOR FOREIGN INFORMATION ACCESS.

[(a) AUTHORITY.—

[(1) IN GENERAL.—The Secretary is authorized to make grants to institutions of higher education, public or nonprofit private libraries, or partnerships between such institutions and other such institutions, libraries, or nonprofit educational organizations, to develop innovative techniques or programs using electronic technologies to collect, organize, preserve, and widely disseminate information from foreign sources on world regions and countries other than the United States that address our Nation's teaching and research needs in international education and foreign languages.

[(2) GRANT RECIPIENTS.—The Secretary may award grants under this section to carry out the activities authorized under this section to the following:

[(A) An institution of higher education.

[(B) A public or nonprofit private library.

[(C) A partnership of an institution of higher education and one or more of the following:

[(i) Another institution of higher education.

[(ii) A library.

[(iii) A nonprofit educational organization.

[(b) AUTHORIZED ACTIVITIES.—Grants under this section may be used—

[(1) to acquire, facilitate access to, or preserve foreign information resources in print or electronic forms;

[(2) to develop new means of immediate, full-text document delivery for information and scholarship from abroad;

[(3) to develop new means of or standards for shared electronic access to international data;

[(4) to support collaborative projects of indexing, cataloging, and other means of bibliographic access for scholars to important research materials published or distributed outside the United States;

[(5) to develop methods for the wide dissemination of resources written in non-Roman language alphabets;

[(6) to assist teachers of less commonly taught languages in acquiring, via electronic and other means, materials suitable for classroom use;

[(7) to promote collaborative technology based projects in foreign languages, area studies, and international studies among grant recipients under this title;

[(8) to establish linkages to facilitate carrying out the activities described in this subsection between—

[(A) the institutions of higher education, libraries, and partnerships receiving grants under this section; and

[(B) institutions of higher education, nonprofit educational organizations, and libraries overseas; and

[(9) to carry out other activities that the Secretary determines are consistent with the purpose of the grants awarded under this section.

[(c) APPLICATION.—Each institution of higher education, library, or partnership desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information and assurances as the Secretary may reasonably require.

[(d) MATCH REQUIRED.—The Federal share of the total cost of carrying out a program supported by a grant under this section shall not be more than 66⅔ percent. The non-Federal share of such cost may be provided either in-kind or in cash, and may include contributions from private sector corporations or foundations.]

SEC. [607.] 605. SELECTION OF CERTAIN GRANT RECIPIENTS.

(a) COMPETITIVE GRANTS.—The Secretary shall award grants under section 602 competitively on the basis of criteria that separately, but not less rigorously, evaluates—

(1) the applications for comprehensive foreign language and area or international studies centers and programs; and

(2) the applications for undergraduate foreign language and area or international studies centers and programs.

(b) SELECTION CRITERIA.—The Secretary shall set criteria for grants awarded under section 602 by which a determination of excellence shall be made to meet the differing objectives of graduate and undergraduate institutions. In keeping with the purposes of this part, the Secretary shall take into account the degree to which activities of centers, programs, and fellowships at institutions of higher education address national needs, and generate information for and disseminate information to the public. The Secretary shall also consider an applicant's record of placing students into post-graduate employment, education, or training in areas of national need and an applicant's stated efforts to increase the number of such students that go into such placements.

(c) **EQUITABLE DISTRIBUTION OF GRANTS.**—The Secretary shall, to the extent practicable, award grants under this part (other than section 602) in such manner as to achieve an equitable distribution of the grant funds throughout the United States, based on the merit of a proposal as determined pursuant to a peer review process involving broadly representative professionals.

SEC. [608.] 606. EQUITABLE DISTRIBUTION OF CERTAIN FUNDS.

(a) **SELECTION CRITERIA.**—The Secretary shall make excellence the criterion for selection of grants awarded under section 602.

(b) **EQUITABLE DISTRIBUTION.**—To the extent practicable and consistent with the criterion of excellence, the Secretary shall award grants under this part (other than section 602) in such a manner as will achieve an equitable distribution of funds throughout the United States.

(c) **SUPPORT FOR UNDERGRADUATE EDUCATION.**—The Secretary shall also award grants under this part in such manner as to ensure that an appropriate portion of the funds appropriated for this part (as determined by the Secretary) are used to support undergraduate education.

ISEC. 609. AMERICAN OVERSEAS RESEARCH CENTERS.

[(a) **CENTERS AUTHORIZED.**—The Secretary is authorized to make grants to and enter into contracts with any American overseas research center that is a consortium of institutions of higher education (hereafter in this section referred to as a “center”) to enable such center to promote postgraduate research, exchanges and area studies.

[(b) **USE OF GRANTS.**—Grants made and contracts entered into pursuant to this section may be used to pay all or a portion of the cost of establishing or operating a center or program, including—

- [(1) the cost of faculty and staff stipends and salaries;
- [(2) the cost of faculty, staff, and student travel;
- [(3) the cost of the operation and maintenance of overseas facilities;
- [(4) the cost of teaching and research materials;
- [(5) the cost of acquisition, maintenance, and preservation of library collections;
- [(6) the cost of bringing visiting scholars and faculty to a center to teach or to conduct research;
- [(7) the cost of organizing and managing conferences; and
- [(8) the cost of publication and dissemination of material for the scholarly and general public.

[(c) **LIMITATION.**—The Secretary shall only award grants to and enter into contracts with centers under this section that—

- [(1) receive more than 50 percent of their funding from public or private United States sources;
- [(2) have a permanent presence in the country in which the center is located; and
- [(3) are organizations described in section 501(c)(3) of the Internal Revenue Code of 1986 which are exempt from taxation under section 501(a) of such Code.

[(d) **DEVELOPMENT GRANTS.**—The Secretary is authorized to make grants for the establishment of new centers. The grants may

be used to fund activities that, within 1 year, will result in the creation of a center described in subsection (c).

[(e) APPLICATION.—Each center desiring to receive a grant or contract under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information and assurances as the Secretary may require.]

[SEC. 610. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2009, and such sums as may be necessary for each of the five succeeding fiscal years.]

**PART B—BUSINESS AND INTERNATIONAL
EDUCATION PROGRAMS**

* * * * *

SEC. 612. CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.

(a) PROGRAM AUTHORIZED.—

(1) PURPOSE.—The purpose of this section is to coordinate the programs of the Federal Government in the areas of research, education, and training in international business and trade competitiveness.

(2) IN GENERAL.—The Secretary is authorized to make grants to institutions of higher education, or consortia of such institutions, to pay the Federal share of the cost of planning, establishing and operating centers for international business education which—

(A) will be national resources for the teaching of improved business techniques, strategies, and methodologies which emphasize the international context in which business is transacted;

(B) will provide instruction in critical foreign languages and international fields needed to provide understanding of the cultures and customs of United States trading partners; and

(C) will provide research and training in the international aspects of trade, commerce, and other fields of study.

(3) SPECIAL RULE.—In addition to providing training to students enrolled in the institution of higher education in which a center is located, such centers shall serve as regional resources to businesses proximately located by offering programs and providing research designed to meet the international training needs of such businesses. Such centers shall also serve other faculty, students, and institutions of higher education located within their region.

(b) AUTHORIZED EXPENDITURES.—Each grant made under this section may be used to pay the Federal share of the cost of planning, establishing or operating a center, including the cost of—

(1) faculty and staff travel in foreign areas, regions, or countries;

(2) teaching and research materials;

(3) curriculum planning and development;

(4) bringing visiting scholars and faculty to the center to teach or to conduct research; and

(5) training and improvement of the staff, for the purpose of, and subject to such conditions as the Secretary finds necessary for, carrying out the objectives of this section.

(c) AUTHORIZED ACTIVITIES.—

(1) MANDATORY ACTIVITIES.—Programs and activities to be conducted by centers assisted under this section shall include—

(A) interdisciplinary programs which incorporate foreign language and international studies training into business, finance, management, communications systems, and other professional curricula;

(B) interdisciplinary programs which provide business, finance, management, communications systems, and other professional training for foreign language and international studies faculty and degree candidates;

(C) programs, such as intensive language programs, available to members of the business community and other professionals which are designed to develop or enhance their international skills, awareness, and expertise;

(D) collaborative programs, activities, or research involving other institutions of higher education, local educational agencies, professional associations, businesses, firms, or consortia thereof, to promote the development of international skills, awareness, and expertise among current and prospective members of the business community and other professionals;

(E) research designed to strengthen and improve the international aspects of business and professional education and to promote integrated curricula; and

(F) research designed to promote the international competitiveness of American businesses and firms, including those not currently active in international trade.

(2) PERMISSIBLE ACTIVITIES.—Programs and activities to be conducted by centers assisted under this section may include—

(A) the establishment of overseas internship programs for students and faculty designed to provide training and experience in international business activities, except that no Federal funds provided under this section may be used to pay wages or stipends to any participant who is engaged in compensated employment as part of an internship program;

(B) the establishment of linkages overseas with institutions of higher education and other organizations that contribute to the educational objectives of this section;

(C) summer institutes in international business, foreign area studies, foreign language studies, and other international studies designed to carry out the purposes of subparagraph (A) of this paragraph;

(D) the development of opportunities for business students to study abroad in locations which are important to the existing and future economic well-being of the United States;

(E) outreach activities or consortia with business programs located at other institutions of higher education (including those that are eligible to receive assistance under

part A or B of title III or under title V) for the purpose of providing expertise regarding the internationalization of such programs, such as assistance in research, curriculum development, faculty development, or educational exchange programs;

(F) programs encouraging the advancement and understanding of technology-related disciplines, including manufacturing software systems and technology management; and

(G) other eligible activities prescribed by the Secretary.

(d) ADVISORY COUNCIL.—

(1) ESTABLISHMENT.—In order to be eligible for assistance under this section, an institution of higher education, or consortium of such institutions, shall establish a center advisory council which will conduct extensive planning prior to the establishment of a center concerning the scope of the center's activities and the design of its programs.

(2) MEMBERSHIP ON ADVISORY COUNCIL.—The center advisory council shall include—

(A) one representative of an administrative department or office of the institution of higher education;

(B) one faculty representative of the business or management school or department of such institution;

(C) one faculty representative of the international studies or foreign language school or department of such institution;

(D) one faculty representative of another professional school or department of such institution, as appropriate;

(E) one or more representatives of local or regional businesses or firms;

(F) one representative appointed by the Governor of the State in which the institution of higher education is located whose normal responsibilities include official oversight or involvement in State-sponsored trade-related activities or programs; and

(G) such other individuals as the institution of higher education deems appropriate, such as a representative of a community college in the region served by the center.

(3) MEETINGS.—In addition to the initial planning activities required under subsection (d)(1), the center advisory council shall meet not less than once each year after the establishment of the center to assess and advise on the programs and activities conducted by the center.

(e) GRANT DURATION; FEDERAL SHARE.—

(1) DURATION OF GRANTS.—The Secretary shall make grants under this section for a minimum of 3 years unless the Secretary determines that the provision of grants of shorter duration is necessary to carry out the objectives of this section.

(2) FEDERAL SHARE.—The Federal share of the cost of planning, establishing and operating centers under this section shall be—

(A) not more than 90 percent for the first year in which Federal funds are received;

(B) not more than 70 percent for the second such year; and

(C) not more than 50 percent for the third such year and for each such year thereafter.

(3) NON-FEDERAL SHARE.—The non-Federal share of the cost of planning, establishing, and operating centers under this section may be provided either in cash or in-kind.

(4) WAIVER OF NON-FEDERAL SHARE.—In the case of an institution of higher education receiving a grant under this part and conducting outreach or consortia activities with another institution of higher education in accordance with section 612(c)(2)(E), the Secretary may waive a portion of the requirements for the non-Federal share required in paragraph (2) equal to the amount provided by the institution of higher education receiving such grant to such other institution of higher education for carrying out such outreach or consortia activities. Any such waiver shall be subject to such terms and conditions as the Secretary deems necessary for carrying out the purposes of this section.

(f) GRANT CONDITIONS.—Grants under this section shall be made on such conditions as the Secretary determines to be necessary to carry out the objectives of this section. Such conditions shall include—

(1) evidence that the institution of higher education, or consortium of such institutions, will conduct extensive planning prior to the establishment of a center concerning the scope of the center's activities and the design of its programs in accordance with subsection (d)(1);

(2) assurance of ongoing collaboration in the establishment and operation of the center by faculty of the business, management, foreign language, international studies, professional international affairs, and other professional schools or departments, as appropriate;

(3) assurance that the education and training programs of the center will be open to students concentrating in each of these respective areas, as appropriate, and that diverse perspectives *and a wide range of views* will be made available to students in programs under this section; and

(4) assurance that the institution of higher education, or consortium of such institutions, will use the assistance provided under this section to supplement and not to supplant activities conducted by institutions of higher education described in subsection (c)(1).

(g) APPROVAL.—*The Secretary may approve an application for a grant if an institution, in its application, provides adequate assurances that it will comply with subsection (f)(3). The Secretary shall use the requirement of subsection (f)(3) as part of the application evaluation, review, and approval process when determining grant recipients for initial funding and continuation awards.*

[SEC. 613. EDUCATION AND TRAINING PROGRAMS.

[(a) PROGRAM AUTHORIZED.—The Secretary shall make grants to, and enter into contracts with, institutions of higher education to pay the Federal share of the cost of programs designed to promote linkages between such institutions and the American business community engaged in international economic activity. Each program assisted under this section shall both enhance the international academic programs of institutions of higher education and provide

appropriate services to the business community which will expand its capacity to engage in commerce abroad.

[(b) AUTHORIZED ACTIVITIES.—Eligible activities to be conducted by institutions of higher education pursuant to grants or contracts awarded under this section shall include—

[(1) innovation and improvement in international education curricula to serve the needs of the business community, including development of new programs for nontraditional, mid-career, or part-time students;

[(2) development of programs to inform the public of increasing international economic interdependence and the role of American business within the international economic system;

[(3) internationalization of curricula at the junior and community college level, and at undergraduate and graduate schools of business;

[(4) development of area studies programs, and interdisciplinary international programs;

[(5) establishment of export education programs through cooperative arrangements with regional and world trade centers and councils, and with bilateral and multilateral trade associations;

[(6) research for and development of specialized teaching materials, including language materials, and facilities appropriate to business-oriented students;

[(7) establishment of student and faculty fellowships and internships for training and education in international business activities;

[(8) development of opportunities for junior business and other professional school faculty to acquire or strengthen international skills and perspectives;

[(9) development of research programs on issues of common interest to institutions of higher education and private sector organizations and associations engaged in or promoting international economic activity;

[(10) the establishment of internships overseas to enable foreign language students to develop their foreign language skills and knowledge of foreign cultures and societies;

[(11) the establishment of linkages overseas with institutions of higher education and organizations that contribute to the educational objectives of this section; and

[(12) summer institutes in international business, foreign area and other international studies designed to carry out the purposes of this section.

[(c) APPLICATIONS.—No grant may be made and no contract may be entered into under this section unless an institution of higher education submits an application to the Secretary at such time and in such manner as the Secretary may reasonably require. Each such application shall be accompanied by a copy of the agreement entered into by the institution of higher education with a business enterprise, trade organization or association engaged in international economic activity, or a combination or consortium of such enterprises, organizations or associations, for the purpose of establishing, developing, improving or expanding activities eligible for assistance under subsection (b) of this section. Each such application shall contain assurances that the institution of higher edu-

cation will use the assistance provided under this section to supplement and not to supplant activities conducted by institutions of higher education described in subsection (b). Each such application shall include an assurance that, where applicable, the activities funded by the grant will reflect diverse perspectives and a wide range of views on world regions and international affairs.

[(d) FEDERAL SHARE.—The Federal share under this part for each fiscal year shall not exceed 50 percent of the cost of such program.]

[SEC. 614. AUTHORIZATION OF APPROPRIATIONS.]

[(a) CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.—There are authorized to be appropriated such sums as may be necessary for the fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years to carry out the provisions of section 612.]

[(b) EDUCATION AND TRAINING PROGRAMS.—There are authorized to be appropriated such sums as may be necessary for fiscal year 2009, and such sums as may be necessary for the five succeeding fiscal years, to carry out the provisions of section 613.]

[PART C—INSTITUTE FOR INTERNATIONAL PUBLIC POLICY]

[SEC. 621. MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM.]

[(a) ESTABLISHMENT.—The Secretary is authorized to award a grant, on a competitive basis, to an eligible recipient to enable such recipient to establish an Institute for International Public Policy (hereafter in this part referred to as the “Institute”). The Institute shall conduct a program to enhance the international competitiveness of the United States by increasing the participation of underrepresented populations in the international service, including private international voluntary organizations and the foreign service of the United States. Such program shall include a program for such students to study abroad in their junior year, fellowships for graduate study, internships, intensive academic programs such as summer institutes, or intensive language training.]

[(b) DEFINITION OF ELIGIBLE RECIPIENT.—

[(1) IN GENERAL.—For the purpose of this part, the term “eligible recipient” means a consortium consisting of 1 or more of the following entities:

[(A) An institution eligible for assistance under part B of title III of this Act.]

[(B) A tribally controlled college or university or Alaska Native or Native Hawaiian-serving institution eligible for assistance under part A or B of title III, or an institution eligible for assistance under title V.]

[(C) An institution of higher education that serves substantial numbers of underrepresented minority students.]

[(D) An institution of higher education with programs in training foreign service professionals.]

[(2) HOST INSTITUTION.—Each eligible recipient receiving a grant under this section shall designate an institution of higher education as the host institution for the Institute.]

[(c) APPLICATION.—

[(1) IN GENERAL.—Each eligible recipient desiring a grant under this section shall submit an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

[(2) CONTENT OF APPLICATION.—Each application submitted under paragraph (1) shall include a description of how the activities funded by the grant will reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs, where applicable.

[(d) DURATION.—Grants made pursuant to this section shall be awarded for a period not to exceed 5 years.

[(e) MATCH REQUIRED.—The eligible recipient of a grant under this section shall contribute to the conduct of the program supported by the grant an amount from non-Federal sources equal to at least one-half the amount of the grant, which contribution may be in cash or in kind.

[SEC. 622. INSTITUTIONAL DEVELOPMENT.

[(a) IN GENERAL.—The Institute shall award grants, from amounts available to the Institute for each fiscal year, to historically Black colleges and universities, Hispanic-serving institutions, tribally controlled colleges or universities, and minority institutions, to enable such colleges, universities, and institutions to strengthen international affairs, international business, and foreign language study programs, including the teaching of foreign languages, at such colleges, universities, and institutions, respectively, which may include collaboration with institutions of higher education that receive funding under this title.

[(b) APPLICATION.—No grant may be made by the Institute unless an application is made by the college, university, or institution at such time, in such manner, and accompanied by such information as the Institute may require.

[(c) DEFINITIONS.—In this section—

[(1) the term “Hispanic-serving institution” has the meaning given the term in section 502; and

[(2) the term “minority institution” has the meaning given the term in section 365.

[SEC. 623. STUDY ABROAD PROGRAM.

[(a) PROGRAM AUTHORITY.—The Institute shall conduct, by grant or contract, a junior year abroad program. The junior year abroad program shall be open to eligible students at institutions of higher education, including historically Black colleges and universities, tribally controlled colleges or universities, Alaska Native-serving, Native Hawaiian-serving, and Hispanic-serving institutions, and other institutions of higher education with significant minority student populations. Eligible student expenses shall be shared by the Institute and the institution at which the student is in attendance. Each student may spend not more than 9 months abroad in a program of academic study, as well as social, familial and political interactions designed to foster an understanding of and familiarity with the language, culture, economics and governance of the host country.

[(b) DEFINITION OF ELIGIBLE STUDENT.—For the purpose of this section, the term “eligible student” means a student that is—

[(1) enrolled full-time in a baccalaureate degree program at an institution of higher education; and

[(2) entering the third year of study, or completing the third year of study in the case of a summer abroad program, at an institution of higher education which nominates such student for participation in the study abroad program.

[(c) SPECIAL RULE.—An institution of higher education desiring to send a student on the study abroad program shall enter into a Memorandum of Understanding with the Institute under which such institution of higher education agrees to—

[(1) provide the requisite academic preparation for students participating in the study abroad or internship programs;

[(2) pay one-third the cost of each student it nominates for participation in the study abroad program; and

[(3) meet such other requirements as the Secretary may from time to time, by regulation, reasonably require.

[SEC. 624. ADVANCED DEGREE IN INTERNATIONAL RELATIONS.

[The Institute shall provide, in cooperation with the other members participating in the eligible recipient consortium, a program of study leading to an advanced degree in international relations, international affairs, international economics, or other academic areas related to the Institute fellow's career objectives. The advanced degree study program shall be designed by the consortia, consistent with the fellow's career objectives, and shall be reviewed and approved by the Secretary. The Institute may grant fellowships in an amount not to exceed the level of support comparable to that provided by the National Science Foundation graduate fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need according to measurement of need approved by the Secretary. A fellowship recipient shall agree to undertake full-time study and to enter the international service (including work with private international voluntary organizations) or foreign service of the United States.

[SEC. 625. INTERNSHIPS.

[(a) IN GENERAL.—The Institute shall enter into agreements with historically Black colleges and universities, tribally controlled colleges or universities, Alaska Native-serving, Native Hawaiian-serving, and Hispanic-serving institutions, other institutions of higher education with significant numbers of minority students, and institutions of higher education with programs in training foreign service professionals, to provide academic year internships during the junior and senior year and summer internships following the sophomore and junior academic years, by work placements with international, voluntary or government organizations or agencies, including the Agency for International Development, the Department of State, the International Monetary Fund, the National Security Council, the Organization of American States, the Export-Import Bank, the Overseas Private Investment Corporation, the Department of State, Office of the United States Trade Representative, the World Bank, and the United Nations.

[(b) POSTBACCALAUREATE INTERNSHIPS.—The Institute shall enter into agreements with institutions of higher education described in the first sentence of subsection (a) to conduct internships

for students who have completed study for a baccalaureate degree. The internship program authorized by this subsection shall—

[(1) assist the students to prepare for a master's degree program;

[(2) be carried out with the assistance of the Woodrow Wilson International Center for Scholars; and

[(3) contain work experience for the students designed to contribute to the students' preparation for a master's degree program.

[(c) INTERAGENCY COMMITTEE ON MINORITY CAREERS IN INTERNATIONAL AFFAIRS.—

[(1) ESTABLISHMENT.—There is established in the executive branch of the Federal Government an Interagency Committee on Minority Careers in International Affairs composed of not less than 7 members, including—

[(A) the Under Secretary for Farm and Foreign Agricultural Services of the Department of Agriculture, or the Under Secretary's designee;

[(B) the Assistant Secretary and Director General, of the United States and Foreign Commercial Service of the Department of Commerce, or the Assistant Secretary and Director General's designee;

[(C) the Under Secretary of Defense for Personnel and Readiness of the Department of Defense, or the Under Secretary's designee;

[(D) the Assistant Secretary for Postsecondary Education in the Department of Education, or the Assistant Secretary's designee;

[(E) the Director General of the Foreign Service of the Department of State, or the Director General's designee; and

[(F) the General Counsel of the Agency for International Development, or the General Counsel's designee.

[(2) FUNCTIONS.—The Interagency Committee established by this section shall—

[(A) on an annual basis inform the Secretary and the Institute regarding ways to advise students participating in the internship program assisted under this section with respect to goals for careers in international affairs;

[(B) locate for students potential internship opportunities in the Federal Government related to international affairs; and

[(C) promote policies in each department and agency participating in the Committee that are designed to carry out the objectives of this part.

[SEC. 626. FINANCIAL ASSISTANCE.

[(a) AUTHORITY.—The Institute may provide financial assistance, in the form of summer stipends described in subsection (b) and Ralph Bunche scholarship assistance described in subsection (c), to low-income students to facilitate the participation of the students in the Institute's programs under this part.

[(b) SUMMER STIPENDS.—

[(1) REQUIREMENTS.—A student receiving a summer stipend under this section shall use such stipend to defray the student's cost of participation in a summer institute program

funded under this part, including the costs of travel, living, and educational expenses necessary for the student's participation in such program.

[(2) AMOUNT.—A summer stipend awarded to a student under this section shall not exceed \$3,000 per summer.

[(c) RALPH BUNCHE SCHOLARSHIP.—

[(1) REQUIREMENTS.—A student receiving a Ralph Bunche scholarship under this section—

[(A) shall be a full-time student at an institution of higher education who is accepted into a program funded under this part; and

[(B) shall use such scholarship to pay costs related to the cost of attendance, as defined in section 472, at the institution of higher education in which the student is enrolled.

[(2) AMOUNT AND DURATION.—A Ralph Bunche scholarship awarded to a student under this section shall not exceed \$5,000 per academic year.

[SEC. 627. REPORT.

[The Institute shall prepare a report once every two years on the activities of the Institute and shall submit such report to the Secretary of Education and the Secretary of State.

[SEC. 628. GIFTS AND DONATIONS.

[The Institute is authorized to receive money and other property donated, bequeathed, or devised to the Institute with or without a condition of restriction, for the purpose of providing financial support for the fellowships or underwriting the cost of the Junior Year Abroad Program. All funds or property given, devised, or bequeathed shall be retained in a separate account, and an accounting of those funds and property shall be included in the report described in section 627.

[SEC. 629. AUTHORIZATION.

[There is authorized to be appropriated such sums as may be necessary for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years to carry out this part.]

PART [D] C—GENERAL PROVISIONS

SEC. [631.] 621. DEFINITIONS.

(a) DEFINITIONS.—As used in this title—

(1) the term “area studies” means a program of comprehensive study of the aspects of a society or societies, including study of its history, culture, economy, politics, international relations and languages;

(2) the term “comprehensive foreign language and area or international studies center” means an administrative unit of a university that contributes significantly to the national interest in advanced research and scholarship, employs a critical mass of scholars in diverse disciplines related to a geographic concentration, offers intensive language training in languages of its area specialization, maintains important library collections related to the area, and makes training available in language and area studies to a graduate, postgraduate, and undergraduate clientele; and

(3) the term “educational programs abroad” means programs of study, internships, or service learning outside the United States which are part of a foreign language or other international curriculum at the undergraduate or graduate education levels;

(4) the term “export education” means educating, teaching and training to provide general knowledge and specific skills pertinent to the selling of goods and services to other countries, including knowledge of market conditions, financial arrangements, laws and procedures;

[(5) the term “historically Black college and university” has the meaning given the term “part B institution” in section 322;]

[(6)] (5) the term “institution of higher education” means, in addition to institutions which meet the definition of section 101 of this Act, institutions which meet the requirements of section 101 of this Act except that (1) they are not located in the United States, and (2) they apply for assistance under this title in consortia with institutions which meet the definition of section 101 of this Act;

[(7)] (6) the term “international business” means profit-oriented business relationships conducted across national boundaries and includes activities such as the buying and selling of goods, investments in industries, the licensing of processes, patents and trademarks, and the supply of services;

[(8)] (7) the term “internationalization of curricula” means the incorporation of international or comparative perspectives in existing courses of study or the addition of new components to the curricula to provide an international context for American business education; *and*

[(9) the term “tribally controlled college or university” has the meaning given the term in section 2 of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1801); and]

[(10)] (8) the term “undergraduate foreign language and area or international studies center” means an administrative unit of an institution of higher education, including but not limited to 4-year colleges, that contributes significantly to the national interest through the education and training of students who matriculate into advanced language and area studies programs, professional school programs, or incorporates substantial international and foreign language content into baccalaureate degree programs, engages in research, curriculum development and community outreach activities designed to broaden international and foreign language knowledge, employs faculty with strong language, area, and international studies credentials, maintains library holdings, including basic reference works, journals, and works in translation, and makes training available predominantly to undergraduate students.

(b) SPECIAL CONDITIONS.—All references to individuals or organizations, unless the context otherwise requires, mean individuals who are citizens or permanent residents of the United States or organizations which are organized or incorporated in the United States.

SEC. [632.] 622. SPECIAL RULE.

The Secretary may waive or reduce the non-Federal share required under this title for institutions that—

- (1) are eligible to receive assistance under part A or B of title III or under title V; and
- (2) have submitted a grant application under this section that demonstrates a *substantial* need for a waiver or reduction, as determined by the Secretary.

SEC. [633.] 623. RULE OF CONSTRUCTION.

Nothing in this title shall be construed to authorize the Secretary to mandate, direct, or control an institution of higher education's specific instructional content, curriculum, or program of instruction.

SEC. [634.] 624. ASSESSMENT.

The Secretary is authorized to assess and ensure compliance with all the conditions and terms of grants provided under this title.

SEC. [635.] 625. EVALUATION, OUTREACH, AND INFORMATION.

The Secretary may use not more than one percent of the funds made available under this title to carry out program evaluation, national outreach, and information dissemination activities relating to the programs authorized under this title.

SEC. [636.] 626. REPORT.

(a) *BIENNIAL REPORT ON AREAS OF NATIONAL NEED.*— The Secretary shall, in consultation and collaboration with the Secretary of State, the Secretary of Defense, and the heads of other relevant Federal agencies, submit a report once every two years that identifies areas of national need in foreign language, area, and international studies as such studies relate to government, education, business, and nonprofit needs, and a plan to address those needs. The report shall be provided to the authorizing committees and made available to the public.

(b) *ANNUAL REPORT ON COMPLIANCE WITH DIVERSE PERSPECTIVES AND A WIDE RANGE OF VIEWS REQUIREMENT.*— *Not later than 180 days after the date of the enactment of this subsection, and annually thereafter, the Secretary shall submit to the authorizing committees a report that identifies the efforts taken to ensure recipients' compliance with the requirements under this title relating to the "diverse perspectives and a wide range of views" requirement, including any technical assistance the Department has provided, any regulatory guidance the Department has issued, and any monitoring the Department has conducted. Such report shall be made available to the public.*

[SEC. 637. SCIENCE AND TECHNOLOGY ADVANCED FOREIGN LANGUAGE EDUCATION GRANT PROGRAM.

[(a) PURPOSE.—It is the purpose of this section to support programs in institutions of higher education that—

- [(1) encourage students to develop—
 - [(A) an understanding of science and technology; and
 - [(B) foreign language proficiency;
- [(2) foster future international scientific collaboration;
- [(3) provide for professional development opportunities for elementary school and secondary school teachers of critical for-

eign languages to increase the number of highly qualified teachers in critical foreign languages; and

[(4) increase the number of United States students who achieve the highest level of proficiency in foreign languages critical to the security and competitiveness of the Nation.

[(b) DEVELOPMENT.—The Secretary shall develop a program for the awarding of grants to institutions of higher education that develop innovative programs for the teaching of foreign languages, which may include the preparation of teachers to teach foreign languages.

[(c) REGULATIONS AND REQUIREMENTS.—The Secretary shall promulgate regulations for the awarding of grants under subsection (b). Such regulations may require institutions of higher education to use grant funds for, among other things—

[(1) the development of an on-campus cultural awareness program by which students attend classes taught in a foreign language and study the science and technology developments and practices in a non-English speaking country;

[(2) immersion programs where students take science or technology related course work in a non-English speaking country;

[(3) other programs, such as summer workshops, that emphasize the intense study of a foreign language and science technology;

[(4) if applicable, recruiting highly qualified teachers in critical foreign languages, and providing professional development activities for such teachers at the elementary school and secondary school levels; and

[(5) providing innovative opportunities for students that will allow for critical language learning, such as immersion environments, intensive study opportunities, internships, and distance learning.

[(d) GRANT DISTRIBUTION.—In distributing grants to institutions of higher education under this section, the Secretary shall give priority to—

[(1) institutions that have programs focusing on curricula that combine the study of foreign languages and the study of science and technology and produce graduates who have both skills; and

[(2) institutions teaching critical foreign languages.

[(e) REPORT ON BEST PRACTICES.—Not later than one year after the date of enactment of this section, the Secretary shall—

[(1) conduct a study to identify the best practices to strengthen the role of institutions of higher education that receive funding under title III or title V in increasing the critical foreign language education efforts in the United States; and

[(2) submit a report on the results of such study to the authorizing committees.

[(f) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated to carry out this section, such sums as may be necessary for fiscal year 2009 and for each subsequent fiscal year.]

SEC. [638.] 627. REPORTING BY INSTITUTIONS.

(a) APPLICABILITY.—The data requirement in subsection (b) shall apply to an institution of higher education that receives funds for a center or program under this title if—

(1) the amount of the contribution (including cash and the fair market value of any property) received from any foreign government or from a foreign private sector corporation or foundation during any fiscal year exceeds \$250,000 in the aggregate; and

(2) the aggregate contribution, or a significant part of the aggregate contribution, is to be used by a center or program receiving funds under this title.

[(b) DATA REQUIRED.—The Secretary shall require an institution of higher education referred to in subsection (a) to report information listed in subsection (a) to the Secretary consistent with the requirements of section 117.]

(b) DATA REQUIRED.—

(1) IN GENERAL.—Except as provided in paragraph (5), the Secretary shall require an institution of higher education referred to in subsection (a) to file a disclosure report under paragraph (2) with the Secretary on January 31 or July 31, whichever is sooner, with respect to the date on which such institution received a contribution—

(A) less than 7 months from such date; and

(B) greater than 30 days from such date.

(2) CONTENTS OF REPORT.—Each report to the Secretary required by this section shall contain the following information with respect to the institution of higher education filing the report:

(A) For gifts received from, or contracts entered into with a foreign source other than a foreign government, the following information:

(i) The aggregate dollar amount of such gifts and contracts attributable to each country, including the fair market value of the services of staff members, textbooks, and other in-kind gifts.

(ii) The legal name of the entity providing any such gift or contract.

(iii) The country to which the gift is attributable.

(B) For gifts received from, or contracts entered into with, a foreign government, the aggregate dollar amount of such gifts and contracts received from each foreign government and the legal name of the entity providing any such gift or contract.

(C) In the case of an institution of higher education that is owned or controlled by a foreign source—

(i) the identity of the foreign source;

(ii) the date on which the foreign source assumed ownership or control of the institution; and

(iii) any changes in program or structure resulting from the change in ownership or control.

(3) ADDITIONAL DISCLOSURES FOR RESTRICTED AND CONDITIONAL GIFTS.—Notwithstanding paragraph (1), when an institution of higher education receives a restricted or conditional gift or contract from a foreign source, the institution shall disclose the following:

(A) In the case of gifts received from, or contracts entered into with, a foreign source other than a foreign government,

the amount, the date, and a description of such conditions or restrictions.

(B) The country to which the gift is attributable.

(C) In the case of gifts received from, or contracts entered into with, a foreign government, the amount, the date, a description of such conditions or restrictions, and the name of the foreign government.

(4) ATTRIBUTION OF GIFTS.—For purposes of this subsection, the country to which a gift is attributable is—

(A) the country of citizenship; or

(B) if the information described in subparagraph (A) is not known—

(i) the principal residence for a foreign source who is a natural person; or

(ii) the principal place of business and country of incorporation for a foreign source that is a legal entity.

(5) RELATION TO OTHER REPORTING REQUIREMENTS.—

(A) STATE REQUIREMENTS.—If an institution described under subsection (a) is located within a State that has enacted requirements for public disclosure of gifts from, or contracts with, a foreign source that are substantially similar to the requirements of this section, as determined by the Secretary, a copy of the disclosure report filed with the State may be filed with the Secretary in lieu of a report required under paragraph (1).

(B) ASSURANCES.—With respect to an institution that submits a copy of a disclosure report pursuant to subparagraph (A), the State in which such institution is located shall provide to the Secretary such assurances as the Secretary may require to establish that the institution has met the requirements for public disclosure under the laws of such State.

(C) USE OF OTHER FEDERAL REPORTS.—If an institution receives a gift from, or enters into a contract with, a foreign source, where any other Federal law or regulation requires a report containing requirements substantially similar to the requirements under this section, as determined by the Secretary, a copy of the report may be filed with the Secretary in lieu of a report required under subsection (b).

(6) PUBLIC INSPECTION.—A disclosure report required by this section shall be—

(A) available as public records open to inspection and copying during business hours;

(B) available electronically; and

(C) made available under subparagraphs (A) and (B) not later than 30 days after the Secretary receives such report.

(7) ENFORCEMENT.—

(A) COMPEL COMPLIANCE.—Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated under this section, a civil action may be brought by the Attorney General, at the request of the Secretary, in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such

court to compel compliance with the requirements of this section.

(B) **COSTS.**—For knowing or willful failure to comply with the requirements of this section, including any rule or regulation promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.

(8) **DEFINITIONS.**—In this section:

(A) **CONTRACT.**—The term “contract” means any agreement for the acquisition by purchase, lease, gift, or barter of property or services by the foreign source, for the direct benefit or use of either of the parties.

(B) **FOREIGN SOURCE.**—The term “foreign source” means—

(i) a foreign government, including an agency of a foreign government;

(ii) a legal entity, governmental or otherwise, created solely under the laws of a foreign state or states;

(iii) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and

(iv) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source.

(C) **GIFT.**—The term “gift” means any gift of money, property, human resources, or payment of any staff.

(D) **RESTRICTED OR CONDITIONAL.**—The term “restricted or conditional”, with respect to an endowment, gift, grant, contract, award, present, or property of any kind means including as a condition on such endowment, gift, grant, contract, award, present, or property provisions regarding—

(i) the employment, assignment, or termination of faculty;

(ii) the establishment of departments, centers, research or lecture programs, institutes, instructional programs, or new faculty positions;

(iii) the selection or admission of students; or

(iv) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.

SEC. 628. CONTINUATION AWARDS.

The Secretary shall make continuation awards under this title for the second and succeeding years of a grant only after determining that the recipient is making satisfactory progress in carrying out the stated grant objectives approved by the Secretary.

SEC. 629. COMPLIANCE WITH DIVERSE PERSPECTIVE AND A WIDE RANGE OF VIEWS.

When complying with the requirement of this title to offer a diverse perspective and a wide range of views, a recipient of a grant under this title shall not promote any biased views that are discriminatory toward any group, religion, or population of people.

SEC. 630. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this title \$61,525,000 for each of fiscal years 2019 through 2024.

TITLE VII—GRADUATE AND POSTSEC- ONDARY IMPROVEMENT PROGRAMS

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PART A—GRADUATE EDUCATION PROGRAMS

[Subpart 1—Jacob K. Javits Fellowship Program

[SEC. 701. AWARD OF JACOB K. JAVITS FELLOWSHIPS.

[(a) **AUTHORITY AND TIMING OF AWARDS.**—The Secretary is authorized to award fellowships in accordance with the provisions of this subpart for graduate study in the arts, humanities, and social sciences by students of superior ability selected on the basis of demonstrated achievement, financial need, and exceptional promise. The fellowships shall be awarded to students who are eligible to receive any grant, loan, or work assistance pursuant to section 484 and intend to pursue a doctoral degree, except that fellowships may be granted to students pursuing a master's degree in those fields in which the master's degree is the terminal highest degree awarded in the area of study. All funds appropriated in a fiscal year shall be obligated and expended to the students for fellowships for use in the academic year beginning after July 1 of the fiscal year following the fiscal year for which the funds were appropriated. The fellowships shall be awarded for only 1 academic year of study and shall be renewable for a period not to exceed 4 years of study.

[(b) **DESIGNATION OF FELLOWS.**—Students receiving awards under this subpart shall be known as “Jacob K. Javits Fellows”.

[(c) **INTERRUPTIONS OF STUDY.**—The institution of higher education may allow a fellowship recipient to interrupt periods of study for a period not to exceed 12 months for the purpose of work, travel, or independent study away from the campus, if such independent study is supportive of the fellowship recipient's academic program and shall continue payments for those 12-month periods during which the student is pursuing travel or independent study supportive of the recipient's academic program. In the case of other exceptional circumstances, such as active duty military service or personal or family member illness, the institution of higher education may also permit the fellowship recipient to interrupt periods of study for the duration of the tour of duty (in the case of military service) or for not more than 12 months (in any other case), but without payment of the stipend.

[(d) **PROCESS AND TIMING OF COMPETITION.**—The Secretary shall make applications for fellowships under this part available not later than October 1 of the academic year preceding the academic year for which fellowships will be awarded, and shall announce the recipients of fellowships under this section not later than March 1 of the academic year preceding the academic year for which the fellowships are awarded.

[(e) **AUTHORITY TO CONTRACT.**—The Secretary is authorized to enter into a contract with a nongovernmental agency to administer the program assisted under this part if the Secretary determines that entering into the contract is an efficient means of carrying out the program.

[SEC. 702. ALLOCATION OF FELLOWSHIPS.

[(a) FELLOWSHIP BOARD.—

[(1) APPOINTMENT.—

[(A) IN GENERAL.—The Secretary shall appoint a Jacob K. Javits Fellows Program Fellowship Board (referred to in this subpart as the “Board”) consisting of 9 individuals representative of both public and private institutions of higher education who are especially qualified to serve on the Board.

[(B) QUALIFICATIONS.—In making appointments under subparagraph (A), the Secretary shall—

[(i) give due consideration to the appointment of individuals who are highly respected in the academic community;

[(ii) appoint members who represent the various geographic regions of the United States;

[(iii) ensure that individuals appointed to the Board are broadly representative of a range of disciplines in graduate education in arts, humanities, and social sciences; and

[(iv) ensure that such individuals include representatives from institutions that are eligible for one or more of the grants under title III or V.

[(2) DUTIES.—The Board shall—

[(A) establish general policies for the program established by this subpart and oversee the program’s operation;

[(B) establish general criteria for the award of fellowships in academic fields identified by the Board, or, in the event that the Secretary enters into a contract with a nongovernmental entity to administer the program assisted under this subpart, by such nongovernmental entity;

[(C) appoint panels of academic scholars with distinguished backgrounds in the arts, humanities, and social sciences for the purpose of selecting fellows, except that, in the event that the Secretary enters into a contract with a nongovernmental entity to administer the program, such panels may be appointed by such nongovernmental entity; and

[(D) prepare and submit to the Congress at least once in every 3-year period a report on any modifications in the program that the Board determines are appropriate.

[(3) CONSULTATIONS.—In carrying out its responsibilities, the Board shall consult on a regular basis with representatives of the National Science Foundation, the National Endowment for the Humanities, the National Endowment for the Arts, and representatives of institutions of higher education and associations of such institutions, learned societies, and professional organizations.

[(4) TERM.—The term of office of each member of the Board shall be 4 years, except that any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed. No member may serve for a period in excess of 6 years.

[(5) INITIAL MEETING; VACANCY.—The Secretary shall call the first meeting of the Board, at which the first order of business shall be the election of a Chairperson and a Vice Chairperson, who shall serve until 1 year after the date of the appointment of the Chairperson and Vice Chairperson. Thereafter each officer shall be elected for a term of 2 years. In case a vacancy occurs in either office, the Board shall elect an individual from among the members of the Board to fill such vacancy.

[(6) QUORUM; ADDITIONAL MEETINGS.—(A) A majority of the members of the Board shall constitute a quorum.

[(B) The Board shall meet at least once a year or more frequently, as may be necessary, to carry out the Board's responsibilities.

[(7) COMPENSATION.—Members of the Board, while serving on the business of the Board, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the rate of basic pay payable for level IV of the Executive Schedule, including travel time, and while so serving away from their homes or regular places of business, the members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

[(b) USE OF SELECTION PANELS.—The recipients of fellowships shall be selected in each designated field from among all applicants nationwide in each field by distinguished panels appointed by the Board to make such selections under criteria established by the Board, except that, in the event that the Secretary enters into a contract with a nongovernmental entity to administer the program, such panels may be appointed by such nongovernmental entity. The number of recipients in each field in each year shall not exceed the number of fellows allocated to that field for that year by the Board.

[(c) FELLOWSHIP PORTABILITY.—Each recipient shall be entitled to use the fellowship in a graduate program at any accredited institution of higher education in which the recipient may decide to enroll.

[SEC. 703. STIPENDS.

[(a) AWARD BY SECRETARY.—The Secretary shall pay to individuals awarded fellowships under this subpart such stipends as the Secretary may establish, reflecting the purpose of this program to encourage highly talented students to undertake graduate study as described in this subpart. In the case of an individual who receives such individual's first stipend under this subpart in academic year 2009–2010 or any succeeding academic year, such stipend shall be set at a level of support equal to that provided by the National Science Foundation Graduate Research Fellowship Program for such academic year, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need determined in accordance with part F of title IV.

[(b) INSTITUTIONAL PAYMENTS.—

[(1) IN GENERAL.—(A) The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship under this subpart at such institution, an institutional allowance. Except as provided in subparagraph (B), such allowance shall be, for academic year 2009–2010 and succeeding academic years, the same amount as the institutional payment made for academic year 2008–2009, adjusted for academic year 2009–2010 and annually thereafter in accordance with inflation as determined by the Department of Labor’s Consumer Price Index for the previous calendar year.

[(B) The institutional allowance paid under subparagraph (A) shall be reduced by the amount the institution charges and collects from a fellowship recipient for tuition and other expenses as part of the recipient’s instructional program.

[(2) SPECIAL RULES.—(A) Beginning March 1, 1992, any applicant for a fellowship under this subpart who has been notified in writing by the Secretary that such applicant has been selected to receive such a fellowship and is subsequently notified that the fellowship award has been withdrawn, shall receive such fellowship unless the Secretary subsequently makes a determination that such applicant submitted fraudulent information on the application.

[(B) Subject to the availability of appropriations, amounts payable to an institution by the Secretary pursuant to this subsection shall not be reduced for any purpose other than the purposes specified under paragraph (1).

[SEC. 704. FELLOWSHIP CONDITIONS.

[(a) REQUIREMENTS FOR RECEIPT.—An individual awarded a fellowship under the provisions of this subpart shall continue to receive payments provided in section 703 only during such periods as the Secretary finds that such individual is maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and is not engaging in gainful employment other than part-time employment by such institution in teaching, research, or similar activities, approved by the Secretary.

[(b) REPORTS FROM RECIPIENTS.—The Secretary is authorized to require reports containing such information in such form and filed at such times as the Secretary determines necessary from any person awarded a fellowship under the provisions of this subpart. The reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library, archive, or other research center approved by the Secretary, stating that such individual is making satisfactory progress in, and is devoting essentially full time to the program for which the fellowship was awarded.

[SEC. 705. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated \$30,000,000 for fiscal year 2009 and each of the five succeeding fiscal years to carry out this subpart.**]**

Subpart [2] 1—Graduate Assistance in Areas of National Need

SEC. [711.] 701. GRANTS TO ACADEMIC DEPARTMENTS AND PROGRAMS OF INSTITUTIONS.

(a) GRANT AUTHORITY.—

(1) IN GENERAL.—The Secretary shall make grants to academic departments, programs and other academic units of institutions of higher education that provide courses of study leading to a graduate degree, including a master's or doctoral degree, in order to enable such institutions to provide assistance to graduate students in accordance with this subpart.

(2) ADDITIONAL GRANTS.—The Secretary may also make grants to such departments, programs and other academic units of institutions of higher education granting graduate degrees which submit joint proposals involving nondegree granting institutions which have formal arrangements for the support of doctoral dissertation research with degree-granting institutions. Nondegree granting institutions eligible for awards as part of such joint proposals include any organization which—

(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986, and is exempt from tax under section 501(a) of such Code;

(B) is organized and operated substantially to conduct scientific and cultural research and graduate training programs;

(C) is not a private foundation;

(D) has academic personnel for instruction and counseling who meet the standards of the institution of higher education in which the students are enrolled; and

(E) has necessary research resources not otherwise readily available in such institutions to such students.

(b) AWARD AND DURATION OF GRANTS.—

(1) AWARDS.—The principal criterion for the award of grants shall be the relative quality of the graduate programs presented in competing applications. Consistent with an allocation of awards based on quality of competing applications, the Secretary shall, in awarding such grants, promote an equitable geographic distribution among eligible public and private institutions of higher education.

(2) DURATION AND AMOUNT.—

(A) DURATION.—The Secretary shall award a grant under this subpart for a period of 3 years.

(B) AMOUNT.—The Secretary shall award a grant to an academic department, program or unit of an institution of higher education under this subpart for a fiscal year in an amount that is not less than \$100,000 and not greater than \$750,000.

(3) REALLOTMENT.—Whenever the Secretary determines that an academic department, program or unit of an institution of higher education is unable to use all of the amounts available to the department, program or unit under this subpart, the Secretary shall, on such dates during each fiscal year as the Secretary may fix, reallocate the amounts not needed to academic

departments, programs and units of institutions which can use the grants authorized by this subpart.

(c) PREFERENCE TO CONTINUING GRANT RECIPIENTS.—

(1) IN GENERAL.—The Secretary shall make new grant awards under this subpart only to the extent that each previous grant recipient under this subpart has received continued funding in accordance with subsection (b)(2)(A).

(2) RATABLE REDUCTION.—To the extent that appropriations under this subpart are insufficient to comply with paragraph (1), available funds shall be distributed by ratably reducing the amounts required to be awarded under subsection (b)(2)(A).

SEC. [712.] 702. INSTITUTIONAL ELIGIBILITY.

(a) ELIGIBILITY CRITERIA.—Any academic department, program or unit of an institution of higher education that offers a program of postbaccalaureate study leading to a graduate degree, including a master's or doctoral degree, in an area of national need (as designated under subsection (b)) may apply for a grant under this subpart. No department, program or unit shall be eligible for a grant unless the program of postbaccalaureate study has been in existence for at least 4 years at the time of application for assistance under this subpart.

(b) DESIGNATION OF AREAS OF NATIONAL NEED.—After consultation with appropriate Federal and nonprofit agencies and organizations, including the National Science Foundation, the Department of Defense, the Department of Homeland Security, the National Academy of Sciences, and the Bureau of Labor Statistics, the Secretary shall designate areas of national need. In making such designations, the Secretary shall take into consideration—

- (1) the extent to which the interest in the area is compelling;
- (2) the extent to which other Federal programs support postbaccalaureate study in the area concerned;
- (3) an assessment of how the program may achieve the most significant impact with available resources; and
- (4) an assessment of current (as of the time of the designation) and future professional workforce needs of the United States.

SEC. [713.] 703. CRITERIA FOR APPLICATIONS.

(a) SELECTION OF APPLICATIONS.—The Secretary shall make grants to academic departments, programs and units of institutions of higher education on the basis of applications submitted in accordance with subsection (b). Applications shall be ranked on program quality by review panels of nationally recognized scholars and evaluated on the quality and effectiveness of the academic program and the achievement and promise of the students to be served. To the extent possible (consistent with other provisions of this section), the Secretary shall make awards that are consistent with recommendations of the review panels.

(b) CONTENTS OF APPLICATIONS.—An academic department, program or unit of an institution of higher education, in the department, program or unit's application for a grant, shall—

- (1) describe the current academic program of the applicant for which the grant is sought;
- (2) provide assurances that the applicant will provide, from other non-Federal sources, for the purposes of the fellowship

program under this subpart an amount equal to at least 25 percent of the amount of the grant received under this subpart, which contribution may be in cash or in kind, fairly valued;

(3) set forth policies and procedures to assure that, in making fellowship awards under this subpart, the institution will seek talented students from traditionally underrepresented backgrounds, as determined by the Secretary;

(4) describe the number, types, and amounts of the fellowships that the applicant intends to offer with grant funds provided under this part;

(5) set forth policies and procedures to assure that, in making fellowship awards under this subpart, the institution will make awards to individuals who—

(A) have financial need, as determined under part F of title IV;

(B) have excellent academic records in their previous programs of study; and

(C) plan to pursue the highest possible degree available in their course of study at the institution;

(6) set forth policies and procedures to ensure that Federal funds made available under this subpart for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purpose of this subpart and in no case to supplant those funds;

(7) provide assurances that, in the event that funds made available to the academic department, program or unit under this subpart are insufficient to provide the assistance due a student under the commitment entered into between the academic department, program or unit and the student, the academic department, program or unit will, from any funds available to the department, program or unit, fulfill the commitment to the student;

(8) provide that the applicant will comply with the limitations set forth in [section 715] *section 705*;

(9) provide assurances that the academic department will provide at least 1 year of supervised training in instruction for students; and

(10) include such other information as the Secretary may prescribe.

SEC. [714.] 704. AWARDS TO GRADUATE STUDENTS.

(a) COMMITMENTS TO GRADUATE STUDENTS.—

(1) IN GENERAL.—An academic department, program or unit of an institution of higher education shall make commitments to graduate students who are eligible students under section 484 (including students pursuing a doctoral degree after having completed a master's degree program at an institution of higher education) at any point in their graduate study to provide stipends for the length of time necessary for a student to complete the course of graduate study, but in no case longer than 5 years.

(2) SPECIAL RULE.—No such commitments shall be made to students under this subpart unless the academic department, program or unit has determined adequate funds are available

to fulfill the commitment from funds received or anticipated under this subpart, or from institutional funds.

(b) AMOUNT OF STIPENDS.—The Secretary shall make payments to institutions of higher education for the purpose of paying stipends to individuals who are awarded fellowships under this subpart. The stipends the Secretary establishes shall reflect the purpose of the program under this subpart to encourage highly talented students to undertake graduate study as described in this subpart. In the case of an individual who receives such individual's first stipend under this subpart in academic year 2009–2010 or any succeeding academic year, such stipend shall be set at a level of support equal to that provided by the National Science Foundation Graduate Research Fellowship Program for such academic year, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need as determined under part F of title IV.

(c) TREATMENT OF INSTITUTIONAL PAYMENTS.—An institution of higher education that makes institutional payments for tuition and fees on behalf of individuals supported by fellowships under this subpart in amounts that exceed the institutional payments made by the Secretary pursuant to [section 715(a)] *section 705(a)* may count such excess toward the amounts the institution is required to provide pursuant to [section 713(b)(2)] *section 703(b)(2)*.

(d) ACADEMIC PROGRESS REQUIRED.—Notwithstanding the provisions of subsection (a), no student shall receive an award—

(1) except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded; or

(2) if the student is engaging in gainful employment other than part-time employment involved in teaching, research, or similar activities determined by the institution to be in support of the student's progress towards a degree.

SEC. [715.] 705. ADDITIONAL ASSISTANCE FOR COST OF EDUCATION.

(a) INSTITUTIONAL PAYMENTS.—

(1) IN GENERAL.—The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship under this subpart at such institution, an institutional allowance. Except as provided in paragraph (2), such allowance shall be, for 2009–2010 and succeeding academic years, the same amount as the institutional payment made for 2008–2009 adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year.

(2) REDUCTION.—The institutional allowance paid under paragraph (1) shall be reduced by the amount the institution charges and collects from a fellowship recipient for tuition and other expenses as part of the recipient's instructional program.

(b) USE FOR OVERHEAD PROHIBITED.—Funds made available pursuant to this subpart may not be used for the general operational overhead of the academic department or program.

SEC. [716.] 706. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated **[\$35,000,000** for fiscal year 2009 and each of the five succeeding fiscal years to carry out this subpart.] *\$28,047,000 for each of fiscal years 2019 through 2024.*

[Subpart 3—Thurgood Marshall Legal Educational Opportunity Program

[SEC. 721. LEGAL EDUCATIONAL OPPORTUNITY PROGRAM.

[(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as the “Thurgood Marshall Legal Educational Opportunity Program” designed to provide low-income, minority, or disadvantaged secondary school and college students with the information, preparation, and financial assistance to gain access to and complete law school study and admission to law practice.

[(b) ELIGIBILITY.—A secondary school student or college student is eligible for assistance under this section if the student is—

- [(1)** from a low-income family;
- [(2)** a minority; or
- [(3)** from an economically or otherwise disadvantaged background.

[(c) CONTRACT OR GRANT AUTHORIZED.—The Secretary is authorized to enter into a contract with, or make a grant to, the Council on Legal Education Opportunity, for a period of not less than 5 years—

[(1) to identify secondary school and college students who are from low-income families, are minorities, or are from disadvantaged backgrounds described in subsection (b)(3);

[(2) to prepare such students for successful completion of a baccalaureate degree and for study at accredited law schools, and to assist them with the development of analytical skills, writing skills, and study methods to enhance the students’ success in, and promote the students’ admission to and completion of, law school;

[(3) to assist such students to select the appropriate law school, make application for entry into law school, and receive financial assistance for such study;

[(4) to provide support services to such students who are first-year law students to improve retention and success in law school studies;

[(5) to motivate and prepare such students—

[(A) with respect to law school studies and practice in low-income communities; and

[(B) to provide legal services to low-income individuals and families; and

[(6) to award Thurgood Marshall Fellowships to eligible law school students—

[(A) who participated in summer institutes under subsection (d)(6) and who are enrolled in an accredited law school; or

[(B) who have successfully completed a comparable summer institute program that is certified by the Council on Legal Education Opportunity.

[(d) SERVICES PROVIDED.—In carrying out the purposes described in subsection (c), the contract or grant shall provide for the delivery of services through pre-college programs, undergraduate prelaw information resource centers, summer institutes, midyear seminars, and other educational activities, conducted under this section. Such services may include—

[(1) information and counseling regarding—

[(A) accredited law school academic programs, especially tuition, fees, and admission requirements;

[(B) course work offered and required for law school graduation;

[(C) faculty specialties and areas of legal emphasis; and

[(D) pre-college and undergraduate preparatory courses in analytical and writing skills, study methods, and course selection;

[(2) summer academic programs for secondary school students who have expressed interest in a career in the law;

[(3) tutoring and academic counseling, including assistance in preparing for bar examinations;

[(4) prelaw mentoring programs, involving law school faculty, members of State and local bar associations, and retired and sitting judges, justices, and magistrates;

[(5) assistance in identifying preparatory courses and material for the law school aptitude or admissions tests;

[(6) summer institutes for Thurgood Marshall Fellows that expose the Fellows to a rigorous curriculum that emphasizes abstract thinking, legal analysis, research, writing, and examination techniques; and

[(7) midyear seminars and other educational activities that are designed to reinforce reading, writing, and studying skills of Thurgood Marshall Fellows and Associates.

[(e) DURATION OF THE PROVISION OF SERVICES.—The services described in subsection (d) may be provided—

[(1) prior to the period of law school study, including before and during undergraduate study;

[(2) during the period of law school study; and

[(3) during the period following law school study and prior to taking a bar examination.

[(f) SUBCONTRACTS AND SUBGRANTS.—For the purposes of planning, developing, or delivering one or more of the services described in subsection (d), the Council on Legal Education Opportunity shall enter into subcontracts with, and make subgrants to, institutions of higher education, law schools, public and private agencies and organizations, national and State bar associations, and combinations of such institutions, schools, agencies, organizations, and associations.

[(g) FELLOWSHIPS AND STIPENDS.—The Secretary shall annually establish the maximum fellowship to be awarded, and the maximum stipend to be paid (including allowances for participant travel and for the travel of the dependents of the participant), to Thurgood Marshall Fellows or Associates for the period of participation in summer institutes, midyear seminars, and bar preparation seminars. A Thurgood Marshall Fellow or Associate may be eligible for such a fellowship or stipend only if the Fellow or Associate maintains satisfactory academic progress toward the Juris

Doctor or Bachelor of Laws degree, as determined by the respective institutions (except with respect to a law school graduate enrolled in a bar preparation course).

[(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$5,000,000 for fiscal year 2009 and each of the five succeeding fiscal years.]

Subpart [4] 2—Masters Degree Programs at Historically Black Colleges and Universities and Predominantly Black Institutions

SEC. [723.] 711. MASTERS DEGREE PROGRAMS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.

(a) GRANT PROGRAM AUTHORIZED.—

(1) IN GENERAL.—Subject to the availability of funds appropriated to carry out this section, the Secretary shall award program grants to each of the institutions listed in subsection (b)(1) that is determined by the Secretary to be making a substantial contribution to graduate education opportunities at the masters level in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines for Black Americans.

(2) ASSURANCE OF NON-FEDERAL MATCHING FUNDS.—No grant in excess of \$1,000,000 may be made under this section unless the institution provides assurances that 50 percent of the cost of the purposes for which the grant is made will be paid from non-Federal sources, except that no institution shall be required to match any portion of the first \$1,000,000 of the institution's award from the Secretary. After funds are made available to each eligible institution under the funding rules described in subsection (f), the Secretary shall distribute, on a pro rata basis, any amounts which were not so made available (by reason of the failure of an institution to comply with the matching requirements of this paragraph) among the institutions that have complied with such matching requirement.

(3) MINIMUM AWARD.—Subject to subsections (f) and (g), the amount awarded to each eligible institution listed in subsection (b)(1) for a fiscal year shall be not less than \$500,000.

(4) DURATION OF GRANTS.—A grant awarded under this section shall be for a period of not more than six years, but may be periodically renewed for a period to be determined by the Secretary.

(b) INSTITUTIONAL ELIGIBILITY.—

(1) IN GENERAL.—Institutions eligible for grants under subsection (a) are the following:

- (A) Albany State University.
- (B) Alcorn State University.
- (C) Claflin University.
- (D) Coppin State University.
- (E) Elizabeth City State University.
- (F) Fayetteville State University.
- (G) Fisk University.
- (H) Fort Valley State University.
- (I) Grambling State University.

- (J) Kentucky State University.
- (K) Mississippi Valley State University.
- (L) Savannah State University.
- (M) South Carolina State University.
- (N) University of Arkansas, Pine Bluff.
- (O) Virginia State University.
- (P) West Virginia State University.
- (Q) Wilberforce University.
- (R) Winston-Salem State University.

(2) QUALIFIED MASTERS DEGREE PROGRAM.—

(A) IN GENERAL.—For the purposes of this section, the term “qualified masters degree program” means a masters degree program that provides a program of instruction in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines in which African Americans are underrepresented and has students enrolled in such program of instruction at the time of application for a grant under this section.

(B) ENROLLMENT EXCEPTION.—Notwithstanding the enrollment requirement contained in subparagraph (A), an institution may use an amount equal to not more than 10 percent of the institution’s grant under this section for the development of a new qualified masters degree program.

(3) INSTITUTIONAL CHOICE.—The president or chancellor of the institution may decide which graduate school or qualified masters degree program will receive funds under the grant in any one fiscal year, if the allocation of funds among the schools or programs is delineated in the application for funds submitted to the Secretary under this section.

(4) ONE GRANT PER INSTITUTION.—The Secretary shall not award more than one grant under this section in any fiscal year to any institution of higher education.

(c) APPLICATION.—An eligible institution listed in subsection (b)(1) desiring a grant under this section shall submit an application at such time, in such manner, and containing such information as the Secretary may require. The application shall—

(1) demonstrate how the grant funds under this section will be used to improve graduate educational opportunities for Black and low-income students, and lead to greater financial independence; and

(2) provide, in the case of applications for grants in excess of \$1,000,000, the assurances required under subsection (a)(2) and specify the manner in which the eligible institution is going to pay the non-Federal share of the cost of the application.

(d) USES OF FUNDS.—A grant under this section may be used for—

(1) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

(2) construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;

(3) purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials;

(4) scholarships, fellowships, and other financial assistance for needy graduate students to permit the enrollment of the students in, and completion of, a masters degree in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines in which African Americans are underrepresented;

(5) establishing or improving a development office to strengthen and increase contributions from alumni and the private sector;

(6) assisting in the establishment or maintenance of an institutional endowment to facilitate financial independence pursuant to section 331;

(7) funds and administrative management, and the acquisition of equipment, including software, for use in strengthening funds management and management information systems;

(8) acquisition of real property that is adjacent to the campus in connection with the construction, renovation, or improvement of, or an addition to, campus facilities;

(9) education or financial information designed to improve the financial literacy and economic literacy of students or the students' families, especially with regard to student indebtedness and student assistance programs under title IV;

(10) tutoring, counseling, and student service programs designed to improve academic success;

(11) faculty professional development, faculty exchanges, and faculty participation in professional conferences and meetings; and

(12) other activities proposed in the application submitted under subsection (c) that—

(A) contribute to carrying out the purposes of this section; and

(B) are approved by the Secretary as part of the review and acceptance of such application.

(e) INTERACTION WITH OTHER GRANT PROGRAMS.—No institution that is eligible for and receives an award under section 326, 512, or [724] 712 for a fiscal year shall be eligible to apply for a grant, or receive grant funds, under this section for the same fiscal year.

(f) FUNDING RULE.—Subject to subsection (g), of the amount appropriated to carry out this section for any fiscal year—

(1) the first \$9,000,000 (or any lesser amount appropriated) shall be available only for the purposes of making minimum grants under subsection (a)(3) to eligible institutions listed in subparagraphs (A) through (R) of subsection (b)(1), except that if the amount appropriated is not sufficient to pay the minimum grant awards to all such eligible institutions, the amount of the minimum award to each such eligible institution shall be ratably reduced;

(2) after the application of paragraph (1), an amount shall be available for the purpose of making minimum grants under subsection (a)(3) to eligible institutions listed in subsection (b)(1) that do not receive a grant under paragraph (1), if any,

except that if the amount appropriated is not sufficient to pay the minimum grant awards to all such eligible institutions, the amount of the minimum award to each such eligible institution shall be ratably reduced; and

(3) any amount in excess of \$9,000,000 shall be made available to each of the eligible institutions identified in subparagraphs (A) through (R) of subsection (b)(1), pursuant to a formula developed by the Secretary that uses the following elements:

(A) The ability of the institution to match Federal funds with non-Federal funds.

(B) The number of students enrolled in the qualified masters degree program at the eligible institution in the previous academic year.

(C) The average cost of attendance per student, for all full-time students enrolled in the qualified masters degree program at such institution.

(D) The number of students in the previous year who received a degree in the qualified masters degree program at such institution.

(E) The contribution, on a percent basis, of the programs for which the institution is eligible to receive funds under this section to the total number of African Americans receiving masters degrees in the disciplines related to the programs for the previous year.

(g) **HOLD HARMLESS RULE.**—Notwithstanding paragraphs (2) and (3) of subsection (f), no eligible institution identified in subsection (b)(1) that receives a grant under this section for fiscal year 2009 and that is eligible to receive a grant for a subsequent fiscal year shall receive a grant amount for any such subsequent fiscal year that is less than the grant amount received for fiscal year 2009, unless—

(1) the amount appropriated is not sufficient to provide such grant amounts to all such institutions and programs that received grants under this section for such fiscal year and that are eligible to receive a grant in such subsequent fiscal year; or

(2) the institution cannot provide sufficient matching funds to meet the requirements of this section.

SEC. [724.] 712. MASTERS DEGREE PROGRAMS AT PREDOMINANTLY BLACK INSTITUTIONS.

(a) **GRANT PROGRAM AUTHORIZED.**—

(1) **IN GENERAL.**—Subject to the availability of funds appropriated to carry out this section, the Secretary shall award program grants to each of the institutions listed in subsection (b)(1) that is determined by the Secretary to be making a substantial contribution to graduate education opportunities at the masters level in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines for Black Americans.

(2) **ASSURANCE OF NON-FEDERAL MATCHING FUNDS.**—No grant in excess of \$1,000,000 may be made under this section unless the institution provides assurances that 50 percent of the cost of the purposes for which the grant is made will be paid from

non-Federal sources, except that no institution shall be required to match any portion of the first \$1,000,000 of the institution's award from the Secretary. After funds are made available to each eligible institution under the funding rules described in subsection (f), the Secretary shall distribute, on a pro rata basis, any amounts which were not so made available (by reason of the failure of an institution to comply with the matching requirements of this paragraph) among the institutions that have complied with such matching requirement.

(3) MINIMUM AWARD.—Subject to subsections (f) and (g), the amount awarded to each eligible institution listed in subsection (b)(1) for a fiscal year shall be not less than \$500,000.

(4) DURATION OF GRANTS.—A grant awarded under this section shall be for a period of not more than six years, but may be periodically renewed for a period to be determined by the Secretary.

(b) INSTITUTIONAL ELIGIBILITY.—

(1) IN GENERAL.—Institutions eligible for grants under subsection (a) are the following:

- (A) Chicago State University.
- (B) Columbia Union College.
- (C) Long Island University, Brooklyn campus.
- (D) Robert Morris College.
- (E) York College, The City University of New York.

(2) QUALIFIED MASTERS DEGREE PROGRAM.—

(A) IN GENERAL.—For the purposes of this section, the term “qualified masters degree program” means a masters degree program that provides a program of instruction in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines in which African Americans are underrepresented and has students enrolled in such program of instruction at the time of application for a grant under this section.

(B) ENROLLMENT EXCEPTION.—Notwithstanding the enrollment requirement contained in subparagraph (A), an institution may use an amount equal to not more than 10 percent of the institution's grant under this section for the development of a new qualified masters degree program.

(3) INSTITUTIONAL CHOICE.—The president or chancellor of the institution may decide which graduate school or qualified masters degree program will receive funds under the grant in any one fiscal year, if the allocation of funds among the schools or programs is delineated in the application for funds submitted to the Secretary under this section.

(4) ONE GRANT PER INSTITUTION.—The Secretary shall not award more than one grant under this section in any fiscal year to any institution of higher education.

(c) APPLICATION.—An eligible institution listed in subsection (b)(1) desiring a grant under this section shall submit an application at such time, in such manner, and containing such information as the Secretary may require. The application shall—

(1) demonstrate how the grant funds under this section will be used to improve graduate educational opportunities for

Black and low-income students and lead to greater financial independence; and

(2) provide, in the case of applications for grants in excess of \$1,000,000, the assurances required under subsection (a)(2) and specify the manner in which the eligible institution is going to pay the non-Federal share of the cost of the application.

(d) USES OF FUNDS.—A grant under this section may be used for—

(1) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

(2) construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;

(3) purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials;

(4) scholarships, fellowships, and other financial assistance for needy graduate students to permit the enrollment of the students in, and completion of, a masters degree in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines in which African Americans are underrepresented;

(5) establishing or improving a development office to strengthen and increase contributions from alumni and the private sector;

(6) assisting in the establishment or maintenance of an institutional endowment to facilitate financial independence pursuant to section 331;

(7) funds and administrative management, and the acquisition of equipment, including software, for use in strengthening funds management and management information systems;

(8) acquisition of real property that is adjacent to the campus in connection with the construction, renovation, or improvement of, or an addition to, campus facilities;

(9) education or financial information designed to improve the financial literacy and economic literacy of students or the students' families, especially with regard to student indebtedness and student assistance programs under title IV;

(10) tutoring, counseling, and student service programs designed to improve academic success;

(11) faculty professional development, faculty exchanges, and faculty participation in professional conferences and meetings; and

(12) other activities proposed in the application submitted under subsection (c) that—

(A) contribute to carrying out the purposes of this section; and

(B) are approved by the Secretary as part of the review and acceptance of such application.

(e) INTERACTION WITH OTHER GRANT PROGRAMS.—No institution that is eligible for and receives an award under section 326, 512,

or [723] 711 for a fiscal year shall be eligible to apply for a grant, or receive grant funds, under this section for the same fiscal year.

(f) FUNDING RULE.—Subject to subsection (g), of the amount appropriated to carry out this section for any fiscal year—

(1) the first \$2,500,000 (or any lesser amount appropriated) shall be available only for the purposes of making minimum grants under subsection (a)(3) to eligible institutions listed in subparagraphs (A) through (E) of subsection (b)(1), except that if the amount appropriated is not sufficient to pay the minimum grant awards to all such eligible institutions, the amount of the minimum award to each such eligible institution shall be ratably reduced;

(2) after the application of paragraph (1), an amount shall be available for the purpose of making minimum grants under subsection (a)(3) to eligible institutions described in subsection (b)(1) that do not receive a grant under paragraph (1), if any, except that if the amount appropriated is not sufficient to pay the minimum grant awards to all such eligible institutions, the amount of the minimum award to each such eligible institution shall be ratably reduced; and

(3) any amount in excess of \$2,500,000 shall be made available to each of the eligible institutions identified in subparagraphs (A) through (E) of subsection (b)(1), pursuant to a formula developed by the Secretary that uses the following elements:

(A) The ability of the institution to match Federal funds with non-Federal funds.

(B) The number of students enrolled in the qualified masters degree program at the eligible institution in the previous academic year.

(C) The average cost of attendance per student, for all full-time students enrolled in the qualified masters degree program at such institution.

(D) The number of students in the previous year who received a degree in the qualified masters degree program at such institution.

(E) The contribution, on a percent basis, of the programs for which the institution is eligible to receive funds under this section to the total number of African Americans receiving masters degrees in the disciplines related to the programs for the previous year.

(g) HOLD HARMLESS RULE.—Notwithstanding paragraphs (2) and (3) of subsection (f), no eligible institution identified in subsection (b)(1) that receives a grant under this section for fiscal year 2009 and that is eligible to receive a grant in a subsequent fiscal year shall receive a grant amount in any such subsequent fiscal year that is less than the grant amount received for fiscal year 2009, unless—

(1) the amount appropriated is not sufficient to provide such grant amounts to all such institutions and programs that received grants under this section for such fiscal year and that are eligible to receive a grant in such subsequent fiscal year; or

(2) the institution cannot provide sufficient matching funds to meet the requirements of this section.

SEC. [725.] 713. AUTHORIZATION OF APPROPRIATIONS.

(a) **MASTERS DEGREE PROGRAMS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.**—There are authorized to be appropriated to carry out [section 723 such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.] *section 711, \$7,500,000 for fiscal year 2019 and each of the five succeeding fiscal years.*

(b) **MASTERS DEGREE PROGRAMS AT PREDOMINANTLY BLACK INSTITUTIONS.**—There are authorized to be appropriated to carry out [section 724] *section 712* such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

Subpart [5] 3—General Provisions**SEC. [731.] 721. ADMINISTRATIVE PROVISIONS FOR SUBPARTS 1 [THROUGH 4] AND 2.**

(a) **COORDINATED ADMINISTRATION.**—In carrying out the purpose described in section 700(1), the Secretary shall provide for coordinated administration and regulation of graduate programs assisted under [subparts 1 through 4] *subparts 1 and 2* with other Federal programs providing assistance for graduate education in order to minimize duplication and improve efficiency to ensure that the programs are carried out in a manner most compatible with academic practices and with the standard timetables for applications for, and notifications of acceptance to, graduate programs.

(b) **HIRING AUTHORITY.**—For purposes of carrying out [subparts 1 through 4] *subparts 1 and 2*, the Secretary shall appoint, without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, such administrative and technical employees, with the appropriate educational background, as shall be needed to assist in the administration of such parts. The employees shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(c) **USE FOR RELIGIOUS PURPOSES PROHIBITED.**—No institutional payment or allowance under [section 703(b) or 715(a)] *section 705(a)* shall be paid to a school or department of divinity as a result of the award of a fellowship under [subpart 1 or 2, respectively,] *subpart 1* to an individual who is studying for a religious vocation.

(d) **EVALUATION.**—The Secretary shall evaluate the success of assistance provided to individuals under [subpart 1, 2, 3, or 4] *subpart 1 or 2* with respect to graduating from their degree programs, and placement in faculty and professional positions.

[PART B—FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION**[SEC. 741. FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.**

[(a) **AUTHORITY.**—The Secretary is authorized to make grants to, or enter into contracts with, institutions of higher education, combinations of such institutions, and other public and private non-profit institutions and agencies, to enable such institutions, com-

binations, and agencies to improve postsecondary education opportunities by—

【(1) the encouragement of reform and improvement of, and innovation in, postsecondary education and the provision of educational opportunity for all students, including nontraditional students;

【(2) the creation of institutions, programs, and joint efforts involving paths to career and professional training, including—

【(A) efforts that provide academic credit for programs; and

【(B) combinations of academic and experiential learning;

【(3) the establishment and continuation of institutions, programs, consortia, collaborations, and other joint efforts based on communications technology, including those efforts that utilize distance education and technological advancements to educate and train postsecondary students (including health professionals serving medically underserved populations);

【(4) the carrying out, in postsecondary educational institutions, of changes in internal structure and operations designed to clarify institutional priorities and purposes;

【(5) the design and introduction of cost-effective methods of instruction and operation;

【(6) the introduction of institutional reforms designed to expand individual opportunities for entering and reentering postsecondary institutions and pursuing programs of postsecondary study tailored to individual needs;

【(7) the introduction of reforms in graduate education, in the structure of academic professions, and in the recruitment and retention of faculties;

【(8) the creation of new institutions and programs for examining and awarding credentials to individuals, and the introduction of reforms in current institutional practices related thereto;

【(9) the introduction of reforms in remedial education, including English language instruction, to customize remedial courses to student goals and help students progress rapidly from remedial courses into core courses and through postsecondary program completion;

【(10) the provision of support and assistance to partnerships between institutions of higher education and secondary schools with a significant population of students identified as late-entering limited English proficient students, to establish programs that—

【(A) result in increased secondary school graduation rates of limited English proficient students; and

【(B) increase the number of participating late-entering limited English proficient students who pursue postsecondary education;

【(11) the creation of consortia that join diverse institutions of higher education to design and offer curricular and cocurricular interdisciplinary programs at the undergraduate and graduate levels, sustained for not less than a 5 year period, that—

【(A) focus on poverty and human capability; and

【(B) include—

[(i) a service-learning component; and

[(ii) the delivery of educational services through informational resource centers, summer institutes, mid-year seminars, and other educational activities that stress the effects of poverty and how poverty can be alleviated through different career paths;

[(12) the provision of support and assistance for demonstration projects to provide comprehensive support services to ensure that homeless students, or students who were in foster care or were a ward of the court at any time before the age of 13, enroll and succeed in postsecondary education, including providing housing to such students during periods when housing at the institution of higher education is closed or generally unavailable to other students; and

[(13) the support of efforts to work with institutions of higher education, and nonprofit organizations, that seek to promote cultural diversity in the entertainment media industry, including through the training of students in production, marketing, and distribution of culturally relevant content.

[(b) PLANNING GRANTS.—The Secretary is authorized to make planning grants to institutions of higher education for the development and testing of innovative techniques in postsecondary education. Such grants shall not exceed \$20,000.

[(c) CENTER FOR BEST PRACTICES TO SUPPORT SINGLE PARENT STUDENTS.—

[(1) PROGRAM AUTHORIZED.—The Secretary is authorized to award one grant or contract to an institution of higher education to enable such institution to establish and maintain a center to study and develop best practices for institutions of higher education to support single parents who are also students attending such institutions.

[(2) INSTITUTION REQUIREMENTS.—The Secretary shall award the grant or contract under this subsection to a four-year institution of higher education that has demonstrated expertise in the development of programs to assist single parents who are students at institutions of higher education, as shown by the institution's development of a variety of targeted services to such students, including on-campus housing, child care, counseling, advising, internship opportunities, financial aid, and financial aid counseling and assistance.

[(3) CENTER ACTIVITIES.—The center funded under this section shall—

[(A) assist institutions implementing innovative programs that support single parents pursuing higher education;

[(B) study and develop an evaluation protocol for such programs that includes quantitative and qualitative methodologies;

[(C) provide appropriate technical assistance regarding the replication, evaluation, and continuous improvement of such programs; and

[(D) develop and disseminate best practices for such programs.

[(d) PROHIBITION.—

[(1) IN GENERAL.—No funds made available under this part shall be used to provide direct financial assistance in the form of grants or scholarships to students who do not meet the requirements of section 484(a).

[(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prevent a student who does not meet the requirements of section 484(a) from participating in programs funded under this part.

[(e) PRIORITY.—In making grants under this part to any institution of higher education after the date of enactment of the Higher Education Opportunity Act, the Secretary may give priority to institutions that meet or exceed the most current version of ASHRAE/IES Standard 90.1 (as such term is used in section 342(a)(6) of the Energy Policy and Conservation Act (42 U.S.C. 6313(a)(6)) for any new facilities construction or major renovation of the institution after such date, except that this subsection shall not apply with respect to barns or greenhouses or similar structures owned by the institution.

[(f) SCHOLARSHIP PROGRAM FOR FAMILY MEMBERS OF VETERANS OR MEMBERS OF THE MILITARY.—

[(1) AUTHORIZATION.—The Secretary shall enter into a contract with a nonprofit organization with demonstrated success in carrying out the activities described in this subsection to carry out a program to provide postsecondary education scholarships for eligible students.

[(2) DEFINITION OF ELIGIBLE STUDENT.—In this subsection, the term “eligible student” means an individual who is enrolled as a full-time or part-time student at an institution of higher education (as defined in section 102) and is—

[(A) a dependent student who is a child of—

[(i) an individual who is—

[(I) serving on active duty during a war or other military operation or national emergency (as defined in section 481); or

[(II) performing qualifying National Guard duty during a war or other military operation or national emergency (as defined in section 481); or

[(ii) a veteran who—

[(I) served or performed, as described in clause (i), since September 11, 2001; and

[(II) died, or has been disabled, as a result of such service or performance; or

[(B) an independent student who—

[(i) is a spouse of an individual who is—

[(I) serving on active duty during a war or other military operation or national emergency (as defined in section 481); or

[(II) performing qualifying National Guard duty during a war or other military operation or national emergency (as defined in section 481);

[(ii) was (at the time of death of the veteran) a spouse of a veteran who—

[(I) served or performed, as described in clause (i), since September 11, 2001; and

[(II) died as a result of such service or performance; or

[(iii) is a spouse of a veteran who—

[(I) served or performed, as described in clause (i), since September 11, 2001; and

[(II) has been disabled as a result of such service or performance.

[(3) AWARDING OF SCHOLARSHIPS.—Scholarships awarded under this subsection shall be awarded based on need with priority given to eligible students who are eligible to receive Federal Pell Grants under subpart 1 of part A of title IV.

[(4) MAXIMUM SCHOLARSHIP AMOUNT.—The maximum scholarship amount awarded to an eligible student under this subsection for an award year shall be the lesser of \$5,000, or the student's cost of attendance (as defined in section 472).

[(5) AMOUNTS FOR SCHOLARSHIPS.—All of the amounts appropriated to carry out this subsection for a fiscal year shall be used for scholarships awarded under this subsection, except that the nonprofit organization receiving a contract under this subsection may use not more than one percent of such amounts for the administrative costs of the contract.

[SEC. 742. BOARD OF THE FUND FOR THE IMPROVEMENT OF POST-SECONDARY EDUCATION.

[(a) ESTABLISHMENT.—There is established a National Board of the Fund for the Improvement of Postsecondary Education (in this part referred to as the “Board”). The Board shall consist of 15 members appointed by the Secretary for overlapping 3-year terms. A majority of the Board shall constitute a quorum. Any member of the Board who has served for 6 consecutive years shall thereafter be ineligible for appointment to the Board during a 2-year period following the expiration of such sixth year.

[(b) MEMBERSHIP.—The Secretary shall designate one of the members of the Board as Chairperson of the Board. A majority of the members of the Board shall be public interest representatives, including students, and a minority shall be educational representatives. All members selected shall be individuals able to contribute an important perspective on priorities for improvement in postsecondary education and strategies of educational and institutional change.

[(c) DUTIES.—The Board shall—

[(1) advise the Secretary on priorities for the improvement of postsecondary education and make such recommendations as the Board may deem appropriate for the improvement of postsecondary education and for the evaluation, dissemination, and adaptation of demonstrated improvements in postsecondary educational practice;

[(2) advise the Secretary on the operation of the Fund for the Improvement of Postsecondary Education, including advice on planning documents, guidelines, and procedures for grant competitions prepared by the Fund; and

[(3) meet at the call of the Chairperson, except that the Board shall meet whenever one-third or more of the members request in writing that a meeting be held.

[(d) INFORMATION AND ASSISTANCE.—The Secretary shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

[SEC. 743. ADMINISTRATIVE PROVISIONS.]

[The Secretary may appoint, for terms not to exceed 3 years, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, not more than 7 technical employees to administer this part who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

[SEC. 744. SPECIAL PROJECTS.]

[(a) GRANT AUTHORITY.—The Secretary is authorized to make grants to institutions of higher education, or consortia thereof, and such other public agencies and nonprofit organizations as the Secretary deems necessary for innovative projects concerning one or more areas of particular national need identified by the Secretary.

[(b) APPLICATION.—No grant shall be made under this part unless an application is made at such time, in such manner, and contains or is accompanied by such information as the Secretary may require.

[(c) AREAS OF NATIONAL NEED.—Areas of national need shall include, at a minimum, the following:

[(1) Institutional restructuring to improve learning and promote productivity, efficiency, quality improvement, and cost reduction.

[(2) Improvements in academic instruction and student learning, including efforts designed to assess the learning gains made by postsecondary students.

[(3) Articulation between two- and four-year institutions of higher education, including developing innovative methods for ensuring the successful transfer of students from two- to four-year institutions of higher education.

[(4) Development, evaluation, and dissemination of model courses, including model courses that—

[(A) provide students with a broad and integrated knowledge base;

[(B) include, at a minimum, broad survey courses in English literature, American and world history, American political institutions, economics, philosophy, college-level mathematics, and the natural sciences; and

[(C) include study of a foreign language that leads to reading and writing competency in the foreign language.

[(5) International cooperation and student exchanges among postsecondary educational institutions.

[(6) Support of centers to incorporate education in quality and safety into the preparation of medical and nursing students, through grants to medical schools, nursing schools, and osteopathic schools. Such grants shall be used to assist in providing courses of instruction that specifically equip students to—

[(A) understand the causes of, and remedies for, medical error, medically induced patient injuries and complications, and other defects in medical care;

[(B) engage effectively in personal and systemic efforts to continually reduce medical harm; and

[(C) improve patient care and outcomes, as recommended by the Institute of Medicine of the National Academies.

[SEC. 745. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.]

PART [D] B—PROGRAMS TO PROVIDE STUDENTS WITH DISABILITIES WITH A QUALITY HIGHER EDUCATION

SEC. [760.] 730. DEFINITIONS.

In this part:

(1) COMPREHENSIVE TRANSITION AND POSTSECONDARY PROGRAM FOR STUDENTS WITH INTELLECTUAL DISABILITIES.—The term “comprehensive transition and postsecondary program for students with intellectual disabilities” means a degree, certificate, or nondegree program that meets each of the following:

(A) Is offered by an institution of higher education.

(B) Is designed to support students with intellectual disabilities who are seeking to continue academic, career and technical, and independent living instruction at an institution of higher education in order to prepare for gainful employment.

(C) Includes an advising and curriculum structure.

(D) Requires students with intellectual disabilities to participate on not less than a half-time basis as determined by the institution, with such participation focusing on academic components, and occurring through 1 or more of the following activities:

(i) Regular enrollment in credit-bearing courses with nondisabled students offered by the institution.

(ii) Auditing or participating in courses with nondisabled students offered by the institution for which the student does not receive regular academic credit.

(iii) Enrollment in noncredit-bearing, nondegree courses with nondisabled students.

(iv) Participation in internships or work-based training in settings with nondisabled individuals.

(E) Requires students with intellectual disabilities to be socially and academically integrated with non-disabled students to the maximum extent possible.

(2) STUDENT WITH AN INTELLECTUAL DISABILITY.—The term “student with an intellectual disability” means a student—

(A) with a cognitive impairment, characterized by significant limitations in—

(i) intellectual and cognitive functioning; and

(ii) adaptive behavior as expressed in conceptual, social, and practical adaptive skills; and

(B) who is currently, or was formerly, eligible for a free appropriate public education under the Individuals with Disabilities Education Act.

[Subpart 1—Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrators in Educating Students with Disabilities

[SEC. 761. PURPOSE.

It is the purpose of this subpart to support model demonstration projects to provide technical assistance or professional development for postsecondary faculty, staff, and administrators in institutions of higher education to enable such faculty, staff, and administrators to provide students with disabilities with a quality postsecondary education.

[SEC. 762. GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS AUTHORIZED.

[(a) COMPETITIVE GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS AUTHORIZED.—

[(1) IN GENERAL.—From amounts appropriated under section 765, the Secretary may award grants, contracts, and cooperative agreements, on a competitive basis, to institutions of higher education to enable the institutions to carry out the activities under subsection (b).

[(2) AWARDS FOR PROFESSIONAL DEVELOPMENT AND TECHNICAL ASSISTANCE.—Not less than two grants, contracts, cooperative agreements, or a combination of such awards shall be awarded to institutions of higher education that provide professional development and technical assistance in order for students with learning disabilities to receive a quality postsecondary education.

[(b) DURATION; ACTIVITIES.—

[(1) DURATION.—A grant, contract, or cooperative agreement under this subpart shall be awarded for a period of three years.

[(2) AUTHORIZED ACTIVITIES.—A grant, contract, or cooperative agreement awarded under this subpart shall be used to carry out one or more of the following activities:

[(A) TEACHING METHODS AND STRATEGIES.—The development of innovative, effective, and efficient teaching methods and strategies, consistent with the principles of universal design for learning, to provide postsecondary faculty, staff, and administrators with the skills and supports necessary to teach and meet the academic and programmatic needs of students with disabilities, in order to improve the retention of such students in, and the completion by such students of, postsecondary education. Such methods and strategies may include in-service training, professional development, customized and general technical assistance, workshops, summer institutes, distance learning, and training in the use of assistive and educational technology.

[(B) EFFECTIVE TRANSITION PRACTICES.—The development of innovative and effective teaching methods and

strategies to provide postsecondary faculty, staff, and administrators with the skill and supports necessary to ensure the successful and smooth transition of students with disabilities from secondary school to postsecondary education.

[(C) SYNTHESIZING RESEARCH AND INFORMATION.—The synthesis of research and other information related to the provision of postsecondary educational services to students with disabilities, including data on the impact of a postsecondary education on subsequent employment of students with disabilities. Such research, information, and data shall be made publicly available and accessible.

[(D) DISTANCE LEARNING.—The development of innovative and effective teaching methods and strategies to provide postsecondary faculty, staff, and administrators with the ability to provide accessible distance education programs or classes that would enhance the access of students with disabilities to postsecondary education, including the use of accessible curricula and electronic communication for instruction and advising.

[(E) DISABILITY CAREER PATHWAYS.—

[(i) IN GENERAL.—The provision of information, training, and technical assistance to secondary and postsecondary faculty, staff, and administrators with respect to disability-related fields that would enable such faculty, staff, and administrators to—

[(I) encourage interest and participation in such fields, among students with disabilities and other students;

[(II) enhance awareness and understanding of such fields among students with disabilities and other students;

[(III) provide educational opportunities in such fields for students with disabilities and other students;

[(IV) teach practical skills related to such fields to students with disabilities and other students; and

[(V) offer work-based opportunities in such fields to students with disabilities and other students.

[(ii) DEVELOPMENT.—The training and support described in subclauses (I) through (V) of clause (i) may include offering students—

[(I) credit-bearing postsecondary-level coursework; and

[(II) career and educational counseling.

[(F) PROFESSIONAL DEVELOPMENT AND TRAINING SESSIONS.—The conduct of professional development and training sessions for postsecondary faculty, staff, and administrators from other institutions of higher education to enable such individuals to meet the educational needs of students with disabilities.

[(G) ACCESSIBILITY OF EDUCATION.—Making postsecondary education more accessible to students with disabili-

ities through curriculum development, consistent with the principles of universal design for learning.

[(3) MANDATORY EVALUATION AND DISSEMINATION.—An institution of higher education awarded a grant, contract, or cooperative agreement under this subpart shall evaluate and disseminate to other institutions of higher education, the information obtained through the activities described in subparagraphs (A) through (G) of paragraph (2).

[(c) CONSIDERATIONS IN MAKING AWARDS.—In awarding grants, contracts, or cooperative agreements under this subpart, the Secretary shall consider the following:

[(1) GEOGRAPHIC DISTRIBUTION.—Providing an equitable geographic distribution of such awards.

[(2) RURAL AND URBAN AREAS.—Distributing such awards to urban and rural areas.

[(3) RANGE AND TYPE OF INSTITUTION.—Ensuring that the activities to be assisted are developed for a range of types and sizes of institutions of higher education.

[(4) PRIOR EXPERIENCE OR EXCEPTIONAL PROGRAMS.—Distributing the awards to institutions of higher education with demonstrated prior experience in, or exceptional programs for, meeting the postsecondary educational needs of students with disabilities.

[(d) REPORTS.—

[(1) INITIAL REPORT.—Not later than one year after the date of enactment of the Higher Education Opportunity Act, the Secretary shall prepare and submit to the authorizing committees, and make available to the public, a report on all demonstration projects awarded grants under this part for any of fiscal years 1999 through 2008, including a review of the activities and program performance of such demonstration projects based on existing information as of the date of the report.

[(2) SUBSEQUENT REPORT.—Not later than three years after the date of the first award of a grant under this subpart after the date of enactment of the Higher Education Opportunity Act, the Secretary shall prepare and submit to the authorizing committees, and make available to the public, a report that—

[(A) reviews the activities and program performance of the demonstration projects authorized under this subpart; and

[(B) provides guidance and recommendations on how effective projects can be replicated.

[SEC. 763. APPLICATIONS.

[Each institution of higher education desiring to receive a grant, contract, or cooperative agreement under this subpart shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall include—

[(1) a description of the activities authorized under this subpart that the institution proposes to carry out, and how such institution plans to conduct such activities in order to further the purpose of this subpart;

[(2) a description of how the institution consulted with a broad range of people within the institution to develop activities for which assistance is sought;

[(3) a description of how the institution will coordinate and collaborate with the office that provides services to students with disabilities within the institution; and

[(4) a description of the extent to which the institution will work to replicate the research-based and best practices of institutions of higher education with demonstrated effectiveness in serving students with disabilities.

[SEC. 764. RULE OF CONSTRUCTION.

[Nothing in this subpart shall be construed to impose any additional duty, obligation, or responsibility on an institution of higher education or on the institution's faculty, administrators, or staff than is required under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

[SEC. 765. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this subpart such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.]

Subpart [2] 1—Transition Programs for Students with Intellectual Disabilities Into Higher Education

SEC. [766.] 731. PURPOSE.

It is the purpose of this subpart to support model demonstration programs that promote the successful transition of students with intellectual disabilities into higher education.

SEC. [767.] 732. MODEL COMPREHENSIVE TRANSITION AND POSTSECONDARY PROGRAMS FOR STUDENTS WITH INTELLECTUAL DISABILITIES.

(a) GRANTS AUTHORIZED.—

(1) IN GENERAL.—From amounts appropriated under [section 769(a)] *section 736(a)*, the Secretary shall annually award grants, on a competitive basis, to [institutions of higher education (or consortia of institutions of higher education), to enable the institutions or consortia] *eligible applicants, to enable the eligible applicants* to create or expand high quality, inclusive model comprehensive transition and postsecondary programs for students with intellectual disabilities.

(2) ADMINISTRATION.—The program under this section shall be administered by the office in the Department that administers other postsecondary education programs.

(3) DURATION OF GRANTS.—A grant under this section shall be awarded for a period of 5 years.

[(b) APPLICATION.—An institution of higher education (or a consortium) desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.]

(b) APPLICATION.—An eligible applicant desiring a grant under this section shall submit to the Secretary, at such time and in such manner as the Secretary may require, an application that—

(1) describes how the model program to be operated by the eligible applicant with grant funds received under this section will meet the requirements of subsection (d);

(2) describes how the model program proposed to be operated is based on the demonstrated needs of students with intellectual disabilities served by the eligible applicant and potential employers;

(3) describes how the model program proposed to be operated will coordinate with other Federal, State, and local programs serving students with intellectual disabilities, including programs funded under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

(4) describes how the model program will be sustained once the grant received under this section ends;

(5) if applicable, describes how the eligible applicant will meet the preferences described in subsection (c)(3); and

(6) demonstrates the ability of the eligible applicant to meet the requirement under subsection (e).

(c) AWARD BASIS.—In awarding grants under this section, the Secretary shall—

(1) provide for an equitable geographic distribution of such grants;

(2) provide grant funds for model comprehensive transition and postsecondary programs for students with intellectual disabilities that will serve areas that are underserved by programs of this type; and

(3) give preference to applications submitted under subsection (b) that agree to incorporate into the model comprehensive transition and postsecondary program for students with intellectual disabilities carried out under the grant one or more of the following elements:

(A) The formation of a partnership with any relevant agency serving students with intellectual disabilities, such as a vocational rehabilitation agency.

(B) In the case of an [institution of higher education] *eligible applicant* that provides institutionally owned or operated housing for students attending the institution, the integration of students with intellectual disabilities into the housing offered to nondisabled students.

(C) The involvement of [students attending the institution of higher education] *the eligible applicant's students* who are studying special education, general education, vocational rehabilitation, assistive technology, or related fields in the model program.

(d) USE OF FUNDS.—[An institution of higher education (or consortium)] *An eligible applicant* receiving a grant under this section shall use the grant funds to establish a model comprehensive transition and postsecondary program for students with intellectual disabilities that—

(1) serves students with intellectual disabilities;

(2) provides individual supports and services for the academic and social inclusion of students with intellectual disabilities in academic courses, extracurricular activities, and other aspects of the [institution of higher education's] *eligible applicant's* regular postsecondary program;

(3) with respect to the students with intellectual disabilities participating in the model program, provides a focus on—

- (A) academic enrichment;
- (B) socialization;
- (C) independent living skills, including self-advocacy skills; and
- (D) integrated work experiences and career skills [that lead to gainful employment];

(4) integrates person-centered planning in the development of the course of study for each student with an intellectual disability participating in the model program;

(5) participates with the coordinating center established under [section 777(b)] *section 734* in the evaluation of the model program;

(6) partners with one or more local educational agencies to support students with intellectual disabilities participating in the model program who are still eligible for special education and related services under the Individuals with Disabilities Education Act, including the use of funds available under part B of such Act to support the participation of such students in the model program; *and*

[(7) plans for the sustainability of the model program after the end of the grant period; and]

[(8)] (7) creates and offers a meaningful credential for students with intellectual disabilities upon the completion of the model program.

(e) **MATCHING REQUIREMENT.**—[An institution of higher education (or consortium)] *An eligible applicant* that receives a grant under this section shall provide matching funds toward the cost of the model comprehensive transition and postsecondary program for students with intellectual disabilities carried out under the grant. Such matching funds may be provided in cash or in-kind, and shall be in an amount of not less than 25 percent of the amount of such costs.

(f) **REPORT.**—[Not later than five years after the date of the first grant awarded under this section] *Not less often than once every 5 years*, the Secretary shall prepare and disseminate a report to the authorizing committees and to the public that—

(1) reviews the activities of the model comprehensive transition and postsecondary programs for students with intellectual disabilities funded under this section; and

(2) provides guidance and recommendations on how effective model programs can be replicated.

(g) **DEFINITION.**—*For purposes of this subpart, the term “eligible applicant” means an institution of higher education or a consortium of institutions of higher education.*

SEC. [768.] 733. RULE OF CONSTRUCTION.

Nothing in this subpart shall be construed to reduce or expand—

(1) the obligation of a State or local educational agency to provide a free appropriate public education, as defined in section 602 of the Individuals with Disabilities Education Act; or

(2) eligibility requirements under any Federal, State, or local disability law, including the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), or the Developmental Disabilities As-

assistance and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.).

SEC. 734. COORDINATING CENTER.

(a) *PURPOSE.*—It is the purpose of this section to provide technical assistance and information on best and promising practices to eligible applicants awarded grants under section 732.

(b) *COORDINATING CENTER.*—

(1) *DEFINITION OF ELIGIBLE ENTITY.*—In this section, the term “eligible entity” means an entity, or a partnership of entities, that has demonstrated expertise in the fields of—

(A) higher education;

(B) the education of students with intellectual disabilities;

(C) the development of comprehensive transition and postsecondary programs for students with intellectual disabilities; and

(D) evaluation and technical assistance.

(2) *IN GENERAL.*—From amounts appropriated under section 736, the Secretary shall enter into a cooperative agreement, on a competitive basis, with an eligible entity for the purpose of establishing a coordinating center for institutions of higher education that offer inclusive comprehensive transition and postsecondary programs for students with intellectual disabilities, including eligible applicants receiving grants under section 732, to provide—

(A) recommendations related to the development of standards for such programs;

(B) technical assistance for such programs; and

(C) evaluations for such programs.

(3) *ADMINISTRATION.*—The program under this section shall be administered by the office in the Department that administers other postsecondary education programs.

(4) *DURATION.*—A cooperative agreement entered into pursuant to this section shall have a term of 5 years.

(5) *REQUIREMENTS OF COOPERATIVE AGREEMENT.*—The cooperative agreement entered into pursuant to this section shall provide that the eligible entity entering into such agreement shall establish and maintain a coordinating center that shall—

(A) serve as the technical assistance entity for all comprehensive transition and postsecondary programs for students with intellectual disabilities;

(B) provide technical assistance regarding the development, evaluation, and continuous improvement of such programs;

(C) develop an evaluation protocol for such programs that includes qualitative and quantitative methodologies for measuring student outcomes and program strengths in the areas of academic enrichment, socialization, independent living, and competitive or supported employment;

(D) assist recipients of grants under section 732 in efforts to award a meaningful credential to students with intellectual disabilities upon the completion of such programs, which credential shall take into consideration unique State factors;

(E) develop recommendations for the necessary components of such programs, such as—

(i) academic, vocational, social, and independent living skills;

(ii) evaluation of student progress;

(iii) program administration and evaluation;

(iv) student eligibility; and

(v) issues regarding the equivalency of a student's participation in such programs to semester, trimester, quarter, credit, or clock hours at an institution of higher education, as the case may be;

(F) analyze possible funding sources for such programs and provide recommendations to such programs regarding potential funding sources;

(G) develop model memoranda of agreement for use between or among institutions of higher education and State and local agencies providing funding for such programs;

(H) develop mechanisms for regular communication, outreach, and dissemination of information about comprehensive transition and postsecondary programs for students with intellectual disabilities under section 732 between or among such programs and to families and prospective students;

(I) host a meeting of all recipients of grants under section 732 not less often than once every 3 years; and

(J) convene a workgroup to develop and recommend model criteria, standards, and components of such programs as described in subparagraph (E) that are appropriate for the development of accreditation standards, which workgroup shall include—

(i) an expert in higher education;

(ii) an expert in special education;

(iii) a representative of a disability organization that represents students with intellectual disabilities;

(iv) a representative from the National Advisory Committee on Institutional Quality and Integrity; and

(v) a representative of a regional or national accreditation agency or association.

(6) REPORT.—Not less often than once every 5 years, the coordinating center shall report to the Secretary, the authorizing committees, and the National Advisory Committee on Institutional Quality and Integrity on the recommendations of the workgroup described in paragraph (5)(J).

SEC. 735. ACCESSIBLE INSTRUCTIONAL MATERIALS IN HIGHER EDUCATION.

(a) COMMISSION STRUCTURE.—

(1) ESTABLISHMENT OF COMMISSION.—

(A) IN GENERAL.—The Speaker of the House of Representatives, the President pro tempore of the Senate, and the Secretary of Education shall establish an independent commission, comprised of key stakeholders, to develop voluntary guidelines for accessible postsecondary electronic instructional materials and related technologies in order—

(i) to ensure students with disabilities are afforded the same educational benefits provided to nondisabled

students through the use of electronic instructional materials and related technologies;

(ii) to inform better the selection and use of such materials and technologies at institutions of higher education; and

(iii) to encourage entities that produce such materials and technologies to make accessible versions more readily available in the market.

In fulfilling this duty, the commission shall review applicable national and international information technology accessibility standards, which it will compile and annotate as an additional information resource for institutions of higher education and companies that service the higher education market.

(B) MEMBERSHIP.—

(i) **STAKEHOLDER GROUPS.**—The commission shall be composed of representatives from the following categories:

(I) **DISABILITY.**—Communities of persons with disabilities for whom the accessibility of postsecondary electronic instructional materials and related technologies is a significant factor in ensuring equal participation in higher education, and nonprofit organizations that provide accessible electronic materials to these communities.

(II) **HIGHER EDUCATION.**—Higher education leadership, which includes: university presidents, provosts, deans, vice presidents, deans of libraries, chief information officers, and other senior institutional executives.

(III) **INDUSTRY.**—Relevant industry representatives, meaning—

(aa) developers of postsecondary electronic instructional materials; and

(bb) manufacturers of related technologies.

(ii) **APPOINTMENT OF MEMBERS.**—The commission members shall be appointed as follows:

(I) Six members, 2 from each category described in clause (i), shall be appointed by the Speaker of the House of Representatives, 3 of whom shall be appointed on the recommendation of the majority leader of the House of Representatives and 3 of whom shall be appointed on the recommendation of the minority leader of the House of Representatives, with the Speaker ensuring that 1 developer of postsecondary electronic instructional materials and 1 manufacturer of related technologies are appointed. The Speaker shall also appoint 2 additional members, 1 student with a disability and 1 faculty member from an institution of higher education.

(II) Six members, 2 from each category described in clause (i), shall be appointed by the President pro tempore of the Senate, 3 of whom shall be appointed on the recommendation of the majority

leader of the Senate and 3 of whom shall be appointed on the recommendation of the minority leader of the Senate, with the President pro tempore ensuring that 1 developer of postsecondary electronic instructional materials and 1 manufacturer of related technologies are appointed. The President pro tempore shall also appoint 2 additional members, 1 student with a disability and 1 faculty member from an institution of higher education.

(III) Three members, each of whom must possess extensive, demonstrated technical expertise in the development and implementation of accessible postsecondary electronic instructional materials, shall be appointed by the Secretary of Education. One of these members shall represent postsecondary students with disabilities, 1 shall represent higher education leadership, and 1 shall represent developers of postsecondary electronic instructional materials.

(iii) *ELIGIBILITY TO SERVE ON THE COMMISSION.*—Federal employees are ineligible for appointment to the commission. An appointee to a volunteer or advisory position with a Federal agency or related advisory body may be appointed to the commission so long as his or her primary employment is with a non-Federal entity and he or she is not otherwise engaged in financially compensated work on behalf of the Federal Government, exclusive of any standard expense reimbursement or grant-funded activities.

(2) *AUTHORITY AND ADMINISTRATION.*—

(A) *AUTHORITY.*—The commission's execution of its duties shall be independent of the Secretary of Education, the Attorney General, and the head of any other agency or department of the Federal Government with regulatory or standard setting authority in the areas addressed by the commission.

(B) *ADMINISTRATION.*—

(i) *STAFFING.*—There shall be no permanent staffing for the commission.

(ii) *LEADERSHIP.*—Commission members shall elect a chairperson from among the 19 appointees to the commission.

(iii) *ADMINISTRATIVE SUPPORT.*—The Commission shall be provided administrative support, as needed, by the Secretary of Education through the Office of Postsecondary Education of the Department of Education.

(C) *TERMINATION.*—The Commission shall terminate on the day after the date on which the Commission issues the voluntary guidelines and annotated list of information technology standards described in subsection (b), or two years from the date of enactment of the PROSPER Act, whichever comes first.

(b) *DUTIES OF THE COMMISSION.*—

(1) *PRODUCE VOLUNTARY GUIDELINES.*—Not later than 18 months after the date of enactment of the PROSPER Act, subject to a 6-month extension that it may exercise at its discretion, the commission established in subsection (a) shall—

(A) *develop and issue voluntary guidelines for accessible postsecondary electronic instructional materials and related technologies; and*

(B) *in developing the voluntary guidelines, the commission shall—*

(i) *establish a technical panel pursuant to paragraph (4) to support the commission in developing the voluntary guidelines;*

(ii) *develop criteria for determining which materials and technologies constitute “postsecondary electronic instructional materials” and “related technologies” as defined in subparagraphs (D) and (E) of subsection (f);*

(iii) *identify existing national and international accessibility standards that are relevant to student use of postsecondary electronic instructional materials and related technologies at institutions of higher education;*

(iv) *identify and address any unique pedagogical and accessibility requirements of postsecondary electronic instructional materials and related technologies that are not addressed, or not adequately addressed, by the identified, relevant existing accessibility standards;*

(v) *identify those aspects of accessibility, and types of postsecondary instructional materials and related technologies, for which the commission cannot produce guidelines or which cannot be addressed by existing accessibility standards due to—*

(I) *inherent limitations of commercially available technologies; or*

(II) *the challenges posed by a specific category of disability that covers a wide spectrum of impairments and capabilities which makes it difficult to assess the benefits from particular guidelines on a categorical basis;*

(vi) *ensure that the voluntary guidelines are consistent with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.);*

(vii) *ensure that the voluntary guidelines are consistent, to the extent feasible and appropriate, with the technical and functional performance criteria included in the national and international accessibility standards identified by the commission as relevant to student use of postsecondary electronic instructional materials and related technologies;*

(viii) *allow for the use of an alternative design or technology that results in substantially equivalent or greater accessibility and usability by individuals with disabilities than would be provided by compliance with the voluntary guidelines; and*

(ix) provide that where electronic instructional materials or related technologies that comply fully with the voluntary guidelines are not commercially available, or where such compliance is not technically feasible, the institution may select the product that best meets the voluntary guidelines consistent with the institution's business and pedagogical needs.

(2) *PRODUCE ANNOTATED LIST OF INFORMATION TECHNOLOGY STANDARDS.*—Not later than 18 months after the date of the enactment of the PROSPER Act, subject to a 6-month extension that it may exercise at its discretion, the commission established in subsection (a) shall, with the assistance of the technical panel established under paragraph (4), develop and issue an annotated list of information technology standards.

(3) *SUPERMAJORITY APPROVAL.*—Issuance of the voluntary guidelines and annotated list of information technology standards shall require approval of at least 75 percent (at least 15) of the 19 members of the commission.

(4) *ESTABLISHMENT OF TECHNICAL PANEL.*—Not later than 1 month after the Commission's first meeting, it shall appoint and convene a panel of 12 technical experts, each of whom shall have extensive, demonstrated technical experience in developing, researching, or implementing accessible postsecondary electronic instructional materials or related technologies. The commission has discretion to determine a process for nominating, vetting, and confirming a panel of experts that fairly represents the stakeholder communities on the commission. The technical panel shall include a representative from the United States Access Board.

(c) *PERIODIC REVIEW AND REVISION OF VOLUNTARY GUIDELINES.*—Not later than 5 years after issuance of the voluntary guidelines and annotated list of information technology standards described in paragraphs (1) and (2) of section (b), and every 5 years thereafter, the Secretary of Education shall publish a notice in the Federal Register requesting public comment about whether there is a need to reconstitute the commission to update the voluntary guidelines and annotated list of information technology standards to reflect technological advances, changes in postsecondary electronic instructional materials and related technologies, or updated national and international accessibility standards. The Secretary shall submit a report to Congress summarizing the public comments and presenting the Secretary's decision on whether to reconstitute the commission based on those comments. If the Secretary decides to reconstitute the commission, the Secretary may implement that decision 30 days after the date on which the report was submitted to Congress. That process shall begin with the Secretary requesting the appointment of commission members as detailed in subsection (a)(1)(B)(ii). If the Secretary reconstitutes the Commission, the Commission shall terminate on the day after the date on which the Commission issues updated voluntary guidelines and annotated list of information technology standards, or two years from the date on which the Secretary reconstitutes the Commission, whichever comes first.

(d) *SAFE HARBOR PROTECTIONS.*—The following defenses from liability may be asserted with respect to claims regarding the use of

postsecondary instructional materials and related technologies arising under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq. and 12181 et seq.), subject to the judicial review afforded under those Acts and without limiting any other defenses provided under those Acts:

(1) *SAFE HARBOR FOR CONFORMING POSTSECONDARY ELECTRONIC INSTRUCTIONAL MATERIALS AND RELATED TECHNOLOGIES.—An institution of higher education that requires, provides, or both recommends and provides, postsecondary electronic instructional materials or related technologies that conform to the voluntary guidelines shall be deemed in compliance with, and qualify for a safe harbor from liability in relation to, its obligations under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.) with respect to its selection of such materials or technologies.*

(2) *LIMITED SAFE HARBOR FOR NONCONFORMING POSTSECONDARY ELECTRONIC INSTRUCTIONAL MATERIALS OR RELATED TECHNOLOGIES.—An institution of higher education that requires, provides, or both recommends and provides, postsecondary electronic instructional materials or related technologies that do not fully conform with the voluntary guidelines, but which institution otherwise complies with all requirements set forth in subparagraphs (A), (B), and (C), will qualify for a limited safe harbor from monetary damages under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.), with available remedies under section 505 of the Rehabilitation Act of 1973 (29 U.S.C. 794a), section 103 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12133), and section 308 of such Act (42 U.S.C. 12188) limited to declaratory and injunctive relief, and for a prevailing party other than the United States, a reasonable attorney's fee, if the institution—*

(A) documented its efforts to incorporate and use the voluntary guidelines in its policies and practices regarding its selection or procurement of postsecondary electronic instructional materials and related technologies. These efforts may include establishment of a written policy regarding the institution's use of the voluntary guidelines, identifying the official(s) authorized to approve the selection of nonconforming postsecondary electronic instructional materials or related technologies, and procedures used by the official(s) when making such authorizations;

(B) documented instances where nonconforming postsecondary electronic instructional materials or related technologies are selected or procured, including an explanation of—

(i) the process utilized for identifying accessible options in the marketplace;

(ii) the options considered, if any are available;

(iii) the choice the institution ultimately made and why;

(iv) *what auxiliary aid or service, reasonable modification, or other method the institution will utilize to ensure that affected students within categories of disability are afforded the rights to which they are entitled under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.), including an equally effective opportunity to receive the same educational benefit as afforded to nondisabled students; and*

(v) *where a student or students with disabilities are affected by nonconforming instructional materials or related technologies, what auxiliary aid or service, reasonable modification, or other method the institution is using to ensure the student or students are afforded the rights described in clause (iv); and*

(C) *posted a link to an accessible copy of the voluntary guidelines and annotated list of information technology standards on a publicly available page of its website.*

(e) CONSTRUCTION.—

(1) NONCONFORMING POSTSECONDARY ELECTRONIC INSTRUCTIONAL MATERIALS OR RELATED TECHNOLOGIES.—*Nothing in this section shall be construed to require an institution of higher education to require, provide, or both recommend and provide, postsecondary electronic instructional materials or related technologies that conform to the voluntary guidelines. However, an institution that selects or uses nonconforming postsecondary electronic instructional materials or related technologies must otherwise comply with existing obligations under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.; 42 U.S.C. 12181 et seq.) to provide access to the educational benefit afforded by such materials and technologies through provision of appropriate and reasonable modification, accommodation, and auxiliary aids or services.*

(2) RELATIONSHIP TO EXISTING LAWS AND REGULATIONS.—*With respect to the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), except as provided in subsection (d), nothing in this section may be construed—*

(A) *to authorize or require conduct prohibited under the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973, including the regulations issued pursuant to those laws;*

(B) *to expand, limit, or alter the remedies or defenses under the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973;*

(C) *to supersede, restrict, or limit the application of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973; or*

(D) *to limit the authority of Federal agencies to issue regulations pursuant to the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973.*

(3) VOLUNTARY NATURE OF THE PRODUCTS OF THE COMMISSION.—

(A) *VOLUNTARY GUIDELINES.*—It is the intent of the Congress that use of the voluntary guidelines developed pursuant to this section is and should remain voluntary. The voluntary guidelines shall not confer any rights or impose any obligations on commission participants, institutions of higher education, or other persons, except for the legal protections set forth in subsection (d). Thus, no department or agency of the Federal Government may incorporate the voluntary guidelines, whether produced as a discrete document or electronic resource, into regulations promulgated under the Rehabilitation Act, the Americans with Disabilities Act, or any other Federal law or instrument. This restriction applies only to the voluntary guidelines as a discrete document or resource; it imposes no limitation on Federal use of standards or resources to which the voluntary guidelines may refer.

(B) *ANNOTATED LIST.*—It is the intent of Congress that use of the annotated list of information technology standards developed pursuant to this section is and should remain voluntary. The Annotated List shall not confer any rights or impose any obligations on Commission participants, institutions of higher education, or other persons. Thus, no department or agency of the Federal Government may incorporate the Annotated List, whether produced as a discrete document or electronic resource into regulations promulgated under the Rehabilitation Act, the Americans with Disabilities Act, or any other Federal law or instrument. This provision applies only to the Annotated List as a discrete document or resource; it imposes no limitation on Federal use of standards or resources to which the Annotated List may refer.

(f) *DEFINITIONS.*—In this section, the following definitions apply:

(1) *ANNOTATED LIST OF INFORMATION TECHNOLOGY STANDARDS.*—The term “annotated list of information technology standards” means a list of existing national and international accessibility standards relevant to student use of postsecondary electronic instructional materials and related technologies, and to other types of information technology common to institutions of higher education (such as institutional websites and class registration systems), annotated by the commission established pursuant to subsection (a) to provide information about the applicability of such standards in higher education settings. The annotated list of information technology standards is intended to serve solely as a reference tool to inform any consideration of the relevance of such standards in higher education contexts.

(2) *DISABILITY.*—The term “disability” has the meaning given such term in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102).

(3) *NONCONFORMING POSTSECONDARY ELECTRONIC INSTRUCTIONAL MATERIALS OR RELATED TECHNOLOGIES.*—The term “nonconforming materials or related technologies” means postsecondary electronic instructional materials or related technologies that do not conform to the voluntary guidelines to be developed pursuant to this subpart.

(4) *POSTSECONDARY ELECTRONIC INSTRUCTIONAL MATERIALS.*—The term “postsecondary electronic instructional materials” means digital curricular content that is required, provided, or both recommended and provided by an institution of higher education for use in a postsecondary instructional program.

(5) *RELATED TECHNOLOGIES.*—The term “related technologies” refers to any software, applications, learning management or content management systems, and hardware that an institution of higher education requires, provides, or both recommends and provides for student access to and use of postsecondary electronic instructional materials in a postsecondary instructional program.

(6) *TECHNICAL PANEL.*—The term “technical panel” means a group of experts with extensive, demonstrated technical experience in the development and implementation of accessibility features for postsecondary electronic instructional materials and related technologies, established by the Commission pursuant to subsection (b)(4), which will assist the commission in the development of the voluntary guidelines and annotated list of information technology standards authorized under this subpart.

(7) *VOLUNTARY GUIDELINES.*—The term “voluntary guidelines” means a set of technical and functional performance criteria to be developed by the commission established pursuant to subsection (a) that provide specific guidance regarding both the accessibility and pedagogical functionality of postsecondary electronic instructional materials and related technologies not addressed, or not adequately addressed, by existing accessibility standards.

SEC. [769.] 736. AUTHORIZATION OF APPROPRIATIONS AND RESERVATION.

(a) *AUTHORIZATION OF APPROPRIATIONS.*—There are authorized to be appropriated to carry out this subpart [such sums as may be necessary for fiscal year 2009] \$11,800,000 for fiscal year 2019 and each of the five succeeding fiscal years.

[(b) *RESERVATION OF FUNDS.*—For any fiscal year for which appropriations are made for this subpart, the Secretary shall reserve funds to enter into a cooperative agreement to establish the coordinating center under section 777(b), in an amount that is—

[(1) not less than \$240,000 for any year in which the amount appropriated to carry out this subpart is \$8,000,000 or less; or

[(2) equal to 3 percent of the amount appropriated to carry out this subpart for any year in which such amount appropriated is greater than \$8,000,000.]

(b) *RESERVATION OF FUNDS.*—For any fiscal year for which appropriations are made for this subpart, the Secretary—

(1) shall reserve funds to enter into a cooperative agreement to establish the coordinating center under section 734, in an amount that is equal to—

(A) not less than \$240,000 for any year in which the amount appropriated to carry out this subpart is \$8,000,000 or less; or

(B) equal to 3 percent of the amount appropriated to carry out this subpart for any year in which such amount appropriated is greater than \$8,000,000; and

(2) may reserve funds to award the grant, contract, or cooperative agreement described in section 742.

[Subpart 3—Commission on Accessible Materials; Programs to Support Improved Access to Materials

[SEC. 771. DEFINITION OF STUDENT WITH A PRINT DISABILITY.

[In this subpart, the term “student with a print disability” means a student with a disability who experiences barriers to accessing instructional material in nonspecialized formats, including an individual described in section 121(d)(2) of title 17, United States Code.

[SEC. 772. ESTABLISHMENT OF ADVISORY COMMISSION ON ACCESSIBLE INSTRUCTIONAL MATERIALS IN POSTSECONDARY EDUCATION FOR STUDENTS WITH DISABILITIES.

[(a) ESTABLISHMENT.—

[(1) IN GENERAL.—The Secretary shall establish a commission to be known as the Advisory Commission on Accessible Instructional Materials in Postsecondary Education for Students with Disabilities (in this section referred to as the “Commission”).

[(2) MEMBERSHIP.—

[(A) TOTAL NUMBER OF MEMBERS.—The Commission shall include not more than 19 members, who shall be appointed by the Secretary in accordance with subparagraphs (B) and (C).

[(B) MEMBERS OF THE COMMISSION.—The Commission members shall include one representative from each of the following categories:

[(i) The Office of Postsecondary Education of the Department.

[(ii) The Office of Special Education and Rehabilitative Services of the Department.

[(iii) The Office for Civil Rights of the Department.

[(iv) The Library of Congress National Digital Information and Infrastructure Preservation Program Copyright Working Group.

[(v) The Association on Higher Education and Disability.

[(vi) The Association of American Publishers.

[(vii) The Association of American University Presses.

[(viii) The National Council on Disability.

[(ix) Recording for the Blind and Dyslexic.

[(x) National organizations representing individuals with visual impairments.

[(xi) National organizations representing individuals with learning disabilities.

[(C) ADDITIONAL MEMBERS OF THE COMMISSION.—The Commission members shall include two representatives from each of the following categories:

[(i) Staff from institutions of higher education with demonstrated experience teaching or supporting stu-

dents with print disabilities, including representatives from both two-year and four-year institutions of higher education of different sizes.

[(ii) Producers of accessible materials, publishing software, and supporting technologies in specialized formats, such as Braille, audio or synthesized speech, and digital media.

[(iii) Individuals with visual impairments, including not less than one currently enrolled postsecondary student.

[(iv) Individuals with dyslexia or other learning disabilities related to reading, including not less than one currently enrolled postsecondary student.

[(D) TIMING.—The Secretary shall appoint the members of the Commission not later than 60 days after the Commission is established under paragraph (1).

[(3) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall select a chairperson and vice chairperson from among the members of the Commission.

[(4) MEETINGS.—

[(A) IN GENERAL.—The Commission shall meet at the call of the Chairperson.

[(B) FIRST MEETING.—Not later than 60 days after the appointment of the members of the Commission under paragraph (2)(D), the Commission shall hold the Commission's first meeting.

[(5) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

[(b) DUTIES OF THE COMMISSION.—

[(1) STUDY.—

[(A) IN GENERAL.—The Commission shall conduct a comprehensive study to—

[(i) assess the barriers and systemic issues that may affect, and technical solutions available that may improve, the timely delivery and quality of accessible instructional materials for postsecondary students with print disabilities, as well as the effective use of such materials by faculty and staff; and

[(ii) make recommendations related to the development of a comprehensive approach to improve the opportunities for postsecondary students with print disabilities to access instructional materials in specialized formats in a timeframe comparable to the availability of instructional materials for postsecondary nondisabled students.

[(B) EXISTING INFORMATION.—To the extent practicable, in carrying out the study under this paragraph, the Commission shall identify and use existing research, recommendations, and information.

[(C) RECOMMENDATIONS.—

[(i) IN GENERAL.—The Commission shall develop recommendations—

[(I) to inform Federal regulations and legislation;

【(II) to support the model demonstration programs authorized under section 773;

【(III) to identify best practices in systems for collecting, maintaining, processing, and disseminating materials in specialized formats to students with print disabilities at costs comparable to instructional materials for postsecondary non-disabled students;

【(IV) to improve the effective use of such materials by faculty and staff, while complying with applicable copyright law; and

【(V) to modify the definitions of instructional materials, authorized entities, and eligible students, as such terms are used in applicable Federal law, for the purpose of improving services to students with disabilities.

【(ii) CONSIDERATIONS.—In developing the recommendations under clause (i), the Commission shall consider—

【(I) how students with print disabilities may obtain instructional materials in accessible formats—

【(aa) within a timeframe comparable to the availability of instructional materials for non-disabled students; and

【(bb) to the maximum extent practicable, at costs comparable to the costs of such materials for nondisabled students;

【(II) the feasibility and technical parameters of establishing standardized electronic file formats, such as the National Instructional Materials Accessibility Standard as defined in section 674(e)(3) of the Individuals with Disabilities Education Act, to be provided by publishers of instructional materials to producers of materials in specialized formats, institutions of higher education, and eligible students;

【(III) the feasibility of establishing a national clearinghouse, repository, or file-sharing network for electronic files in specialized formats and files used in producing instructional materials in specialized formats, and a list of possible entities qualified to administer such clearinghouse, repository, or network;

【(IV) the feasibility of establishing market-based solutions involving collaborations among publishers of instructional materials, producers of materials in specialized formats, and institutions of higher education;

【(V) solutions utilizing universal design; and

【(VI) solutions for low-incidence, high-cost requests for instructional materials in specialized formats.

【(2) REPORT.—Not later than one year after the Commission's first meeting, the Commission shall submit a report to

the Secretary and the authorizing committees detailing the findings and recommendations of the study conducted under paragraph (1).

[(3) DISSEMINATION OF INFORMATION.—In carrying out the study under paragraph (1), the Commission shall disseminate information concerning the issues that are the subject of the study through—

[(A) the National Technical Assistance Center established under subpart 4; and

[(B) other means, as determined by the Commission.

[(c) TERMINATION OF THE COMMISSION.—The Commission shall terminate on the date that is 90 days after the date on which the Commission submits the report under subsection (b)(2) to the Secretary and the authorizing committees.

[SEC. 773. MODEL DEMONSTRATION PROGRAMS TO SUPPORT IMPROVED ACCESS TO POSTSECONDARY INSTRUCTIONAL MATERIALS FOR STUDENTS WITH PRINT DISABILITIES.

[(a) PURPOSE.—It is the purpose of this section to support model demonstration programs for the purpose of encouraging the development of systems to improve the quality of postsecondary instructional materials in specialized formats and such materials' timely delivery to postsecondary students with print disabilities, including systems to improve efficiency and reduce duplicative efforts across multiple institutions of higher education.

[(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In this section, the term "eligible partnership" means a partnership that—

[(1) shall include—

[(A) an institution of higher education with demonstrated expertise in meeting the needs of students with print disabilities, including the retention of such students in, and such students' completion of, postsecondary education; and

[(B) a public or private entity, other than an institution of higher education, with—

[(i) demonstrated expertise in developing accessible instructional materials in specialized formats for postsecondary students with print disabilities; and

[(ii) the technical development expertise necessary for the efficient dissemination of such materials, including procedures to protect against copyright infringement with respect to the creation, use, and distribution of instructional materials in specialized formats; and

[(2) may include representatives of the publishing industry.

[(c) PROGRAM AUTHORIZED.—From amounts appropriated under section 775, the Secretary shall award grants or contracts, on a competitive basis, to not less than one eligible partnership to enable the eligible partnership to support the activities described in subsection (f) and, as applicable, subsection (g).

[(d) APPLICATION.—An eligible partnership that desires a grant or contract under this section shall submit an application at such time, in such manner, and in such format as the Secretary may prescribe. The application shall include information on how the eligible partnership will implement activities under subsection (f) and, as applicable, subsection (g).

[(e) PRIORITY.—In awarding grants or contracts under this section, the Secretary shall give priority to any applications that include the development and implementation of the procedures and approaches described in paragraphs (2) and (3) of subsection (g).

[(f) REQUIRED ACTIVITIES.—An eligible partnership that receives a grant or contract under this section shall use the grant or contract funds to carry out the following:

[(1) Supporting the development and implementation of the following:

[(A) Processes and systems to help identify, and verify eligibility of, postsecondary students with print disabilities in need of instructional materials in specialized formats.

[(B) Procedures and systems to facilitate and simplify request methods for accessible instructional materials in specialized formats from eligible students described in subparagraph (A), which may include a single point-of-entry system.

[(C) Procedures and systems to coordinate among institutions of higher education, publishers of instructional materials, and entities that produce materials in specialized formats, to efficiently facilitate—

- [(i) requests for such materials;
- [(ii) the responses to such requests; and
- [(iii) the delivery of such materials.

[(D) Delivery systems that will ensure the timely provision of instructional materials in specialized formats to eligible students, which may include electronic file distribution.

[(E) Systems to reduce duplicative conversions and improve sharing of the same instructional materials in specialized formats for multiple eligible students at multiple institutions of higher education.

[(F) Procedures to protect against copyright infringement with respect to the development, use, and distribution of instructional materials in specialized formats while maintaining accessibility for eligible students, which may include digital technologies such as watermarking, fingerprinting, and other emerging approaches.

[(G) Awareness, outreach, and training activities for faculty, staff, and students related to the acquisition and dissemination of instructional materials in specialized formats and instructional materials utilizing universal design.

[(2) Providing recommendations on how effective procedures and systems described in paragraph (1) may be disseminated and implemented on a national basis.

[(g) AUTHORIZED APPROACHES.—An eligible partnership that receives a grant or contract under this section may use the grant or contract funds to support the development and implementation of the following:

[(1) Approaches for the provision of instructional materials in specialized formats limited to instructional materials used in smaller categories of postsecondary courses, such as introductory, first-, and second-year courses.

[(2) Approaches supporting a unified search for instructional materials in specialized formats across multiple databases or lists of available materials.

[(3) Market-based approaches for making instructional materials in specialized formats directly available to eligible students at prices comparable to standard instructional materials.

[(h) REPORT.—Not later than three years after the date of the first grant or contract awarded under this section, the Secretary shall submit to the authorizing committees a report that includes—

[(1) the number of grants and contracts and the amount of funds distributed under this section;

[(2) a summary of the purposes for which the grants and contracts were provided and an evaluation of the progress made under such grants and contracts;

[(3) a summary of the activities implemented under subsection (f) and, as applicable, subsection (g), including data on the number of postsecondary students with print disabilities served and the number of instructional material requests executed and delivered in specialized formats; and

[(4) an evaluation of the effectiveness of programs funded under this section.

[(i) MODEL EXPANSION.—The Secretary may, on the basis of the reports under subsection (h) and section 772(b)(2) and any evaluations of the projects funded under this section, expand the program under this section to additional grant or contract recipients that use other programmatic approaches and serve different geographic regions, if the Secretary finds that the models used under this section—

[(1) are effective in improving the timely delivery and quality of materials in specialized formats; and

[(2) provide adequate protections against copyright infringement.

[SEC. 774. RULE OF CONSTRUCTION.

[Nothing in this subpart shall be construed to limit or preempt any State law requiring the production or distribution of postsecondary instructional materials in accessible formats to students with disabilities.

[SEC. 775. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—There are authorized to be appropriated to carry out this subpart such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[(b) PRIORITY.—For the first fiscal year for which funds are made available under this section, the Secretary shall give priority to allocating funding for the purposes of section 772.]

Subpart [4] 2—National Technical Assistance Center[; Coordinating Center]

SEC. [776.] 741. PURPOSE.

It is the purpose of this subpart to provide technical assistance and information on best and promising practices to students with disabilities, the families of students with disabilities, and entities awarded [grants, contracts, or cooperative agreements under subpart 1, 2, or 3] *grants or a cooperative agreement under subpart 1*

to improve the postsecondary recruitment, transition, retention, and completion rates of students with disabilities.

SEC. [777.] 742. NATIONAL TECHNICAL ASSISTANCE CENTER[; COORDINATING CENTER].

(a) NATIONAL CENTER.—

(1) IN GENERAL.—From amounts [appropriated under section 778] *reserved under section 736(b)(2)*, the Secretary shall award a grant to, or enter into a contract or cooperative agreement with, an eligible entity to provide for the establishment and support of a National Center for Information and Technical Support for Postsecondary Students with Disabilities (in this subsection referred to as the “National Center”). The National Center shall carry out the duties set forth in paragraph (4).

(2) ADMINISTRATION.—The program under this section shall be administered by the office in the Department that administers other postsecondary education programs.

(3) ELIGIBLE ENTITY.—In this subpart, the term “eligible entity” means an institution of higher education, a nonprofit organization, or partnership of two or more such institutions or organizations, with demonstrated expertise in—

(A) supporting students with disabilities in postsecondary education;

(B) technical knowledge necessary for the dissemination of information in accessible formats;

(C) working with diverse types of institutions of higher education, including community colleges; and

[(D) the subjects supported by the grants, contracts, or cooperative agreements authorized in subparts 1, 2, and 3.]

(D) the subject supported by the grants or cooperative agreement authorized in subpart 1.

(4) DUTIES.—The duties of the National Center shall include the following:

(A) ASSISTANCE TO STUDENTS AND FAMILIES.—The National Center shall provide information and technical assistance to students with disabilities and the families of students with disabilities to support students across the broad spectrum of disabilities, including—

(i) information to assist individuals with disabilities who are prospective students of an institution of higher education in planning for postsecondary education while the students are in secondary school;

(ii) information and technical assistance provided to individualized education program teams (as defined in section 614(d)(1) of the Individuals with Disabilities Education Act) for secondary school students with disabilities, and to early outreach and student services programs, including programs authorized under [subparts 2, 4, and 5] *subparts 2 and 5* of part A of title IV, to support students across a broad spectrum of disabilities with the successful transition to postsecondary education;

(iii) research-based supports, services, and accommodations which are available in postsecondary set-

tings, including services provided by other agencies such as vocational rehabilitation;

(iv) information on student mentoring and networking opportunities for students with disabilities; and

(v) effective recruitment and transition programs at postsecondary educational institutions.

(B) ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION.—The National Center shall provide information and technical assistance to faculty, staff, and administrators of institutions of higher education to improve the services provided to, the accommodations for, the retention rates of, and the completion rates of, students with disabilities in higher education settings, which may include—

(i) collection and dissemination of best and promising practices and materials for accommodating and supporting students with disabilities, including practices and materials supported by the [grants, contracts, or cooperative agreements authorized under subparts 1, 2, and 3] *grants and cooperative agreement authorized under subpart 1*;

(ii) development and provision of training modules for higher education faculty on exemplary practices for accommodating and supporting postsecondary students with disabilities across a range of academic fields, which may include universal design for learning and practices supported by the [grants, contracts, or cooperative agreements authorized under subparts 1, 2, and 3] *grants and cooperative agreement authorized under subpart 1*; and

(iii) development of technology-based tutorials for higher education faculty and staff, including new faculty and graduate students, on best and promising practices related to support and retention of students with disabilities in postsecondary education.

(C) INFORMATION COLLECTION AND DISSEMINATION.—The National Center shall be responsible for building, maintaining, and updating a database of disability support services information with respect to institutions of higher education, or for expanding and updating an existing database of disabilities support services information with respect to institutions of higher education. Such database shall be available to the general public through a website built to high technical standards of accessibility practicable for the broad spectrum of individuals with disabilities. Such database and website shall include available information on—

(i) disability documentation requirements;

(ii) support services available;

(iii) links to financial aid;

(iv) accommodations policies;

(v) accessible instructional materials;

(vi) other topics relevant to students with disabilities; and

(vii) the information in the report described in subparagraph (E).

(D) **DISABILITY SUPPORT SERVICES.**—The National Center shall work with organizations and individuals with proven expertise related to disability support services for postsecondary students with disabilities to evaluate, improve, and disseminate information related to the delivery of high quality disability support services at institutions of higher education.

(E) **REVIEW AND REPORT.**—Not later than three years after the establishment of the National Center, and every two years thereafter, the National Center shall prepare and disseminate a report to the Secretary and the authorizing committees analyzing the condition of postsecondary success for students with disabilities. Such report shall include—

(i) a review of the activities and the effectiveness of the programs authorized under this part;

(ii) annual enrollment and graduation rates of students with disabilities in institutions of higher education from publicly reported data;

(iii) recommendations for effective postsecondary supports and services for students with disabilities, and how such supports and services may be widely implemented at institutions of higher education;

(iv) recommendations on reducing barriers to full participation for students with disabilities in higher education; and

(v) a description of strategies with a demonstrated record of effectiveness in improving the success of such students in postsecondary education.

(F) **STAFFING OF THE CENTER.**—In hiring employees of the National Center, the National Center shall consider the expertise and experience of prospective employees in providing training and technical assistance to practitioners.

(b) **COORDINATING CENTER.**—

(1) **DEFINITION OF ELIGIBLE ENTITY.**—In this subsection, the term “eligible entity” means an entity, or a partnership of entities, that has demonstrated expertise in the fields of—

(A) higher education;

(B) the education of students with intellectual disabilities;

(C) the development of comprehensive transition and postsecondary programs for students with intellectual disabilities; and

(D) evaluation and technical assistance.

(2) **IN GENERAL.**—From amounts appropriated under section 778, the Secretary shall enter into a cooperative agreement, on a competitive basis, with an eligible entity for the purpose of establishing a coordinating center for institutions of higher education that offer inclusive comprehensive transition and postsecondary programs for students with intellectual disabilities, including institutions participating in grants authorized under subpart 2, to provide—

- (A) recommendations related to the development of standards for such programs;
 - (B) technical assistance for such programs; and
 - (C) evaluations for such programs.
- (3) ADMINISTRATION.—The program under this subsection shall be administered by the office in the Department that administers other postsecondary education programs.
- (4) DURATION.—The Secretary shall enter into a cooperative agreement under this subsection for a period of five years.
- (5) REQUIREMENTS OF COOPERATIVE AGREEMENT.—The eligible entity entering into a cooperative agreement under this subsection shall establish and maintain a coordinating center that shall—
- (A) serve as the technical assistance entity for all comprehensive transition and postsecondary programs for students with intellectual disabilities;
 - (B) provide technical assistance regarding the development, evaluation, and continuous improvement of such programs;
 - (C) develop an evaluation protocol for such programs that includes qualitative and quantitative methodologies for measuring student outcomes and program strengths in the areas of academic enrichment, socialization, independent living, and competitive or supported employment;
 - (D) assist recipients of grants under subpart 2 in efforts to award a meaningful credential to students with intellectual disabilities upon the completion of such programs, which credential shall take into consideration unique State factors;
 - (E) develop recommendations for the necessary components of such programs, such as—
 - (i) academic, vocational, social, and independent living skills;
 - (ii) evaluation of student progress;
 - (iii) program administration and evaluation;
 - (iv) student eligibility; and
 - (v) issues regarding the equivalency of a student's participation in such programs to semester, trimester, quarter, credit, or clock hours at an institution of higher education, as the case may be;
 - (F) analyze possible funding streams for such programs and provide recommendations regarding the funding streams;
 - (G) develop model memoranda of agreement for use between or among institutions of higher education and State and local agencies providing funding for such programs;
 - (H) develop mechanisms for regular communication, outreach and dissemination of information about comprehensive transition and postsecondary programs for students with intellectual disabilities under subpart 2 between or among such programs and to families and prospective students;
 - (I) host a meeting of all recipients of grants under subpart 2 not less often than once each year; and

(J) convene a workgroup to develop and recommend model criteria, standards, and components of such programs as described in subparagraph (E), that are appropriate for the development of accreditation standards, which workgroup shall include—

- (i) an expert in higher education;
- (ii) an expert in special education;
- (iii) a disability organization that represents students with intellectual disabilities;
- (iv) a representative from the National Advisory Committee on Institutional Quality and Integrity; and
- (v) a representative of a regional or national accreditation agency or association.

(6) REPORT.—Not later than five years after the date of the establishment of the coordinating center under this subsection, the coordinating center shall report to the Secretary, the authorizing committees, and the National Advisory Committee on Institutional Quality and Integrity on the recommendations of the workgroup described in paragraph (5)(J).

[SEC. 778. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this subpart such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.]

[PART E—COLLEGE ACCESS CHALLENGE GRANT PROGRAM

[SEC. 781. COLLEGE ACCESS CHALLENGE GRANT PROGRAM.

[(a) AUTHORIZATION AND APPROPRIATION.—There are authorized to be appropriated, and there are appropriated, to carry out this section \$150,000,000 for each of the fiscal years 2010 through 2014. The authority to award grants under this section shall expire at the end of fiscal year 2014. In addition to the amount authorized and appropriated under the preceding sentence, there are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[(b) PROGRAM AUTHORIZED.—

[(1) GRANTS AUTHORIZED.—From amounts appropriated under subsection (a), the Secretary shall, subject to the availability of appropriations, award grants, from allotments under subsection (c), to States (and to philanthropic organization, as appropriate under paragraph (3)) having applications approved under subsection (d), to enable the State (or philanthropic organization) to pay the Federal share of the costs of carrying out the activities and services described in subsection (f).

[(2) FEDERAL SHARE; NON-FEDERAL SHARE.—

[(A) FEDERAL SHARE.—The amount of the Federal share under this section for a fiscal year shall be equal to $\frac{2}{3}$ of the costs of the activities and services described in subsection (f) that are carried out under the grant.

[(B) NON-FEDERAL SHARE.—The amount of the non-Federal share under this section shall be equal to $\frac{1}{3}$ of the costs of the activities and services described in subsection

(f). The non-Federal share may be in cash or in-kind, and may be provided from State resources, contributions from private organizations, or both.

[(3) REDUCTION FOR FAILURE TO PAY NON-FEDERAL SHARE.— If a State fails to provide the full non-Federal share required under this subsection, the Secretary shall reduce the amount of the grant payment under this section proportionately, and may award the proportionate reduction amount of the grant directly to a philanthropic organization, as defined in subsection (i), to carry out this section.

[(4) TEMPORARY INELIGIBILITY FOR SUBSEQUENT PAYMENTS.—

[(A) IN GENERAL.—The Secretary shall determine a grantee to be temporarily ineligible to receive a grant payment under this section for a fiscal year if—

[(i) the grantee fails to submit an annual report pursuant to subsection (h) for the preceding fiscal year; or

[(ii) the Secretary determines, based on information in such annual report, that the grantee is not effectively meeting the conditions described under subsection (g) and the goals of the application under subsection (d).

[(B) REINSTATEMENT.—If the Secretary determines that a grantee is ineligible under subparagraph (A), the Secretary may enter into an agreement with the grantee setting forth the terms and conditions under which the grantee may regain eligibility to receive payments under this section.

[(c) DETERMINATION OF ALLOTMENT.—

[(1) AMOUNT OF ALLOTMENT.—Subject to paragraph (2), in making grant payments to grantees under this section, the allotment to each grantee for a fiscal year shall be equal to the sum of—

[(A) the amount that bears the same relation to 50 percent of the amount appropriated under subsection (a) for such fiscal year as the number of residents in the State aged 5 through 17 who are living below the poverty line applicable to the resident's family size (as determined under section 673(2) of the Community Services Block Grant Act) bears to the total number of such residents in all States; and

[(B) the amount that bears the same relation to 50 percent of the amount appropriated under subsection (a) for such fiscal year as the number of residents in the State aged 15 through 44 who are living below the poverty line applicable to the individual's family size (as determined under section 673(2) of the Community Services Block Grant Act) bears to the total number of such residents in all States.

[(2) MINIMUM AMOUNT.—The allotment for each State under this section for a fiscal year shall not be an amount that is less than 1.0 percent of the total amount appropriated under subsection (a) for such fiscal year.

[(d) SUBMISSION AND CONTENTS OF APPLICATION.—

[(1) IN GENERAL.—For each fiscal year for which a grantee desires a grant payment under subsection (b), the State agency with jurisdiction over higher education, or another agency designated by the Governor or chief executive of the State to administer the program under this section, or a philanthropic organization, in accordance with subsection (b)(3), shall submit an application to the Secretary at such time, in such manner, and containing the information described in paragraph (2).

[(2) APPLICATION.—An application submitted under paragraph (1) shall include the following:

[(A) A description of the grantee's capacity to administer the grant under this section and report annually to the Secretary on the activities and services described in subsection (f).

[(B) A description of the grantee's plan for using the grant funds to meet the requirements of subsections (f) and (g), including plans for how the grantee will make special efforts to—

[(i) provide such benefits to students in the State that are underrepresented in postsecondary education; or

[(ii) in the case of a philanthropic organization that operates in more than one State, provide benefits to such students in each such State for which the philanthropic organization is receiving grant funds under this section.

[(C) A description of how the grantee will provide or coordinate the provision of the non-Federal share from State resources or private contributions.

[(D) A description of—

[(i) the structure that the grantee has in place to administer the activities and services described in subsection (f); or

[(ii) the plan to develop such administrative capacity.

[(e) SUBGRANTS TO NONPROFIT ORGANIZATIONS.—A State receiving a payment under this section may elect to make a subgrant to one or more nonprofit organizations in the State, including an eligible not-for-profit holder (as described in section 435(p)), or those nonprofit organizations that have agreements with the Secretary under section 428(b), or a partnership of such organizations, to carry out activities or services described in subsection (f), if the nonprofit organization or partnership—

[(1) was in existence on the day before the date of the enactment of this Act; and

[(2) as of such day, was participating in activities and services related to increasing access to higher education, such as those activities and services described in subsection (f).

[(f) ALLOWABLE USES.—

[(1) IN GENERAL.—Subject to paragraph (3), a grantee may use a grant payment under this section only for the following activities and services, pursuant to the conditions under subsection (g):

[(A) Information for students and families regarding—

[(i) the benefits of a postsecondary education;

- [(ii) postsecondary education opportunities;
- [(iii) planning for postsecondary education; and
- [(iv) career preparation.

[(B) Information on financing options for postsecondary education and activities that promote financial literacy and debt management among students and families.

[(C) Outreach activities for students who may be at risk of not enrolling in or completing postsecondary education.

[(D) Assistance in completion of the Free Application for Federal Student Aid or other common financial reporting form under section 483(a) of the Higher Education Act of 1965.

[(E) Need-based grant aid for students.

[(F) Professional development for guidance counselors at middle schools and secondary schools, and financial aid administrators and college admissions counselors at institutions of higher education, to improve such individuals' capacity to assist students and parents with—

[(i) understanding—

[(I) entrance requirements for admission to institutions of higher education; and

[(II) State eligibility requirements for Academic Competitiveness Grants or National SMART Grants under section 401A, and other financial assistance that is dependent upon a student's coursework;

[(ii) applying to institutions of higher education;

[(iii) applying for Federal student financial assistance and other State, local, and private student financial assistance and scholarships;

[(iv) activities that increase students' ability to successfully complete the coursework required for a postsecondary degree, including activities such as tutoring or mentoring; and

[(v) activities to improve secondary school students' preparedness for postsecondary entrance examinations.

[(G) Student loan cancellation or repayment (as applicable), or interest rate reductions, for borrowers who are employed in a high-need geographical area or a high-need profession in the State, as determined by the State.

[(2) PROHIBITED USES.—Funds made available under this section shall not be used to promote any lender's loans.

[(3) USE OF FUNDS FOR ADMINISTRATIVE PURPOSES.—A grantee may use not more than 6 percent of the total amount of the sum of the Federal share provided under this section and the non-Federal share required under this section for administrative purposes relating to the grant under this section.

[(g) SPECIAL CONDITIONS.—

[(1) AVAILABILITY TO STUDENTS AND FAMILIES.—A grantee receiving a grant payment under this section shall—

[(A) make the activities and services described in subparagraphs (A) through (F) of subsection (f)(1) that are funded under the payment available to all qualifying students and families in the State;

[(B) allow students and families to participate in the activities and services without regard to—

[(i) the postsecondary institution in which the student enrolls;

[(ii) the type of student loan the student receives;

[(iii) the servicer of such loan; or

[(iv) the student's academic performance;

[(C) not charge any student or parent a fee or additional charge to participate in the activities or services; and

[(D) in the case of an activity providing grant aid, not require a student to meet any condition other than eligibility for Federal financial assistance under title IV of the Higher Education Act of 1965, except as provided for in the loan cancellation or repayment or interest rate reductions described in subsection (f)(1)(G).

[(2) PRIORITY.—A grantee receiving a grant payment under this section shall, in carrying out any activity or service described in subsection (f)(1) with the grant funds, prioritize students and families who are living below the poverty line applicable to the individual's family size (as determined under section 673(2) of the Community Services Block Grant Act).

[(3) DISCLOSURES.—

[(A) ORGANIZATIONAL DISCLOSURES.—In the case of a State that has chosen to make a payment to an eligible not-for-profit holder in the State in accordance with subsection (e), the holder shall clearly and prominently indicate the name of the holder and the nature of the holder's work in connection with any of the activities carried out, or any information or services provided, with such funds.

[(B) INFORMATIONAL DISCLOSURES.—Any information about financing options for higher education provided through an activity or service funded under this section shall—

[(i) include information to students and the students' parents of the availability of Federal, State, local, institutional, and other grants and loans for postsecondary education; and

[(ii) present information on financial assistance for postsecondary education that is not provided under title IV of the Higher Education Act of 1965 in a manner that is clearly distinct from information on student financial assistance under such title.

[(4) COORDINATION.—A grantee receiving a grant payment under this section shall attempt to coordinate the activities carried out with the grant payment with any existing activities that are similar to such activities, and with any other entities that support the existing activities in the State.

[(h) REPORT.—A grantee receiving a payment under this section shall prepare and submit an annual report to the Secretary on the activities and services carried out under this section, and on the implementation of such activities and services. The report shall include—

[(1) each activity or service that was provided to students and families over the course of the year;

[(2) the cost of providing each activity or service;

[(3) the number, and percentage, if feasible and applicable, of students who received each activity or service; and

[(4) the total contributions from private organizations included in the grantee's non-Federal share for the fiscal year.

[(i) DEFINITIONS.—In this section:

[(1) PHILANTHROPIC ORGANIZATION.—The term “philanthropic organization” means a non-profit organization—

[(A) that does not receive funds under title IV of the Higher Education Act of 1965 or under the Elementary and Secondary Education Act of 1965;

[(B) that is not a local educational agency or an institution of higher education;

[(C) that has a demonstrated record of dispersing grant aid to underserved populations to ensure access to, and participation in, higher education;

[(D) that is affiliated with an eligible consortium (as defined in paragraph (2)) to carry out this section; and

[(E) the primary purpose of which is to provide financial aid and support services to students from underrepresented populations to increase the number of such students who enter and remain in college.

[(2) ELIGIBLE CONSORTIUM.—The term “eligible consortium” means a partnership of 2 or more entities that have agreed to work together to carry out this section that—

[(A) includes—

[(i) a philanthropic organization, which serves as the manager of the consortium;

[(ii) a State that demonstrates a commitment to ensuring the creation of a Statewide system to address the issues of early intervention and financial support for eligible students to enter and remain in college; and

[(iii) at the discretion of the philanthropic organization described in clause (i), additional partners, including other non-profit organizations, government entities (including local municipalities, school districts, cities, and counties), institutions of higher education, and other public or private programs that provide mentoring or outreach programs; and

[(B) conducts activities to assist students with entering and remaining in college, which may include—

[(i) providing need-based grants to students;

[(ii) providing early notification to low-income students of their potential eligibility for Federal financial aid (which may include assisting students and families with filling out FAFSA forms), as well as other financial aid and other support available from the eligible consortium;

[(iii) encouraging increased student participation in higher education through mentoring or outreach programs; and

[(iv) conducting marketing and outreach efforts that are designed to—

[(I) encourage full participation of students in the activities of the consortium that carry out this section; and

[(II) provide the communities impacted by the activities of the consortium with a general knowledge about the efforts of the consortium.

[(3) GRANTEE.—The term “grantee” means—

[(A) a State awarded a grant under this section; or

[(B) with respect to such a State that has failed to meet the non-Federal share requirement of subsection (b), a philanthropic organization awarded the proportionate reduction amount of such a grant under subsection (b)(3).]

[TITLE VIII—ADDITIONAL PROGRAMS

[PART A—PROJECT GRAD

[SEC. 801. PROJECT GRAD.

[(a) PURPOSES.—The purposes of this section are—

[(1) to provide support and assistance to programs implementing integrated education reform services in order to improve secondary school graduation, postsecondary program attendance, and postsecondary completion rates for low-income students; and

[(2) to promote the establishment of new programs to implement such integrated education reform services.

[(b) DEFINITIONS.—In this section:

[(1) LOW-INCOME STUDENT.—The term “low-income student” means a student who is determined by a local educational agency to be from a low-income family using the measures described in section 1113(a)(5) of the Elementary and Secondary Education Act of 1965.

[(2) FEEDER PATTERN.—The term “feeder pattern” means a secondary school and the elementary schools and middle schools that channel students into that secondary school.

[(c) CONTRACT AUTHORIZED.—From the amount appropriated to carry out this section, the Secretary is authorized to award a five-year contract to Project GRAD USA (referred to in this section as the “contractor”), a nonprofit education organization that has as its primary purpose the improvement of secondary school graduation and postsecondary attendance and completion rates for low-income students. Such contract shall be used to carry out the requirements of subsection (d) and to implement and sustain integrated education reform services through subcontractor activities described in subsection (e)(3) at existing Project GRAD program sites and to promote the expansion to new sites.

[(d) REQUIREMENTS OF CONTRACT.—The Secretary shall enter into an agreement with the contractor that requires that the contractor shall—

[(1) enter into subcontracts with nonprofit educational organizations that serve a substantial number or percentage of low-income students (referred to in this subsection as “subcontractors”), under which the subcontractors agree to implement the

Project GRAD programs described in subsection (e) and provide matching funds for such programs;

[(2) directly carry out—

[(A) activities to implement and sustain the literacy, mathematics, classroom management, social service, and postsecondary access programs further described in subsection (e)(3);

[(B) activities to build the organizational and management capacity of the subcontractors to effectively implement and sustain the programs;

[(C) activities for the purpose of improving and expanding the programs, including activities—

[(i) to further articulate a program for one or more grade levels and across grade levels;

[(ii) to tailor a program for a particular target audience; and

[(iii) to provide tighter integration across programs;

[(D) activities for the purpose of implementing new Project GRAD program sites;

[(E) activities for the purpose of promoting greater public awareness of integrated education reform services to improve secondary school graduation and postsecondary attendance rates for low-income students; and

[(F) other activities directly related to improving secondary school graduation and postsecondary attendance and completion rates for low-income students; and

[(3) use contract funds available under this section to pay—

[(A) the amount determined under subsection (f); and

[(B) costs associated with carrying out the activities and providing the services, as provided in paragraph (2) of this subsection.

[(e) SUPPORTED PROGRAMS.—

[(1) DESIGNATION.—The subcontractor programs referred to in this subsection shall be known as Project GRAD programs.

[(2) FEEDER PATTERNS.—Each subcontractor shall implement a Project GRAD program and shall, with the agreement of the contractor—

[(A) identify or establish not less than one feeder pattern of public schools; and

[(B) provide the integrated educational reform services described in paragraph (3) at each identified feeder pattern.

[(3) INTEGRATED EDUCATION REFORM SERVICES.—The services provided through a Project GRAD program may include—

[(A) research-based programs in reading, mathematics, and classroom management;

[(B) campus-based social services programs, including a systematic approach to increase family and community involvement in the schools served by the Project GRAD program;

[(C) a postsecondary access program that includes—

[(i) providing postsecondary scholarships for students who meet established criteria;

[(ii) proven approaches for increasing student and family postsecondary awareness; and

[(iii) assistance for students in applying for higher education financial aid; and

[(D) such other services identified by the contractor as necessary to increase secondary school graduation and postsecondary attendance and completion rates.

[(f) USE OF FUNDS.—Of the funds made available to carry out this section, not more than five percent of such funds, or \$4,000,000, whichever is less, shall be used by the contractor to pay for administration of the contract.

[(g) CONTRIBUTION AND MATCHING REQUIREMENT.—

[(1) IN GENERAL.—The contractor shall provide to each subcontractor an average of \$200 for each student served by the subcontractor in the Project GRAD program, adjusted to take into consideration—

[(A) the resources or funds available in the area where the subcontractor will implement the Project GRAD program; and

[(B) the need for the Project GRAD program in such area to improve student outcomes, including reading and mathematics achievement, secondary school graduation, and postsecondary attendance and completion rates.

[(2) MATCHING REQUIREMENT.—Each subcontractor shall provide funds for the Project GRAD program in an amount that is equal to the amount received by the subcontractor from the contractor. Such matching funds may be provided in cash or in kind, fairly evaluated.

[(3) WAIVER AUTHORITY.—The contractor may waive, in whole or in part, the requirement of paragraph (2) for a subcontractor, if the subcontractor—

[(A) demonstrates that the subcontractor would not otherwise be able to participate in the program; and

[(B) enters into an agreement with the contractor with respect to the amount to which the waiver will apply.

[(h) EVALUATION.—

[(1) EVALUATION BY THE SECRETARY.—The Secretary shall select an independent entity to evaluate, every three years, the performance of students who participate in a Project GRAD program under this section. The evaluation shall—

[(A) be conducted using a rigorous research design for determining the effectiveness of the Project GRAD programs funded under this section; and

[(B) compare reading and mathematics achievement, secondary school graduation, and postsecondary attendance and completion rates of students who participate in a Project GRAD program funded under this section with those indicators for students of similar backgrounds who do not participate in such program.

[(2) EVALUATION BY CONTRACTOR AND SUBCONTRACTORS.—The contractor shall require each subcontractor to prepare an in-depth report of the results and the use of funds of each Project GRAD program funded under this section that includes—

[(A) data on the reading and mathematics achievement of students involved in the Project GRAD program;

- [(B) data on secondary school graduation and postsecondary attendance and completion rates; and
- [(C) such financial reporting as required by the Secretary to review the effectiveness and efficiency of the program.
- [(3) AVAILABILITY OF EVALUATIONS.—Copies of any evaluation or report prepared under this subsection shall be made available to—
 - [(A) the Secretary; and
 - [(B) the authorizing committees.
- [(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART B—MATHEMATICS AND SCIENCE SCHOLARS PROGRAM

[SEC. 802. MATHEMATICS AND SCIENCE SCHOLARS PROGRAM.

- [(a) PROGRAM AUTHORIZED.—From the amounts appropriated under subsection (f), the Secretary is authorized to award grants to States, on a competitive basis, to enable the States to encourage students to pursue a rigorous course of study, beginning in secondary school and continuing through the students' postsecondary education, in science, technology, engineering, mathematics, or a health-related field.
- [(b) APPLICATIONS.—
 - [(1) IN GENERAL.—A State that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. A State may submit an application to receive a grant under subsection (c) or (d), or both.
 - [(2) CONTENTS OF APPLICATION.—Each application shall include a description of—
 - [(A) the program or programs for which the State is applying;
 - [(B) if applicable, the priority set by the Governor pursuant to subsection (c)(4) or (d)(3); and
 - [(C) how the State will meet the requirements of subsection (e).
- [(c) MATHEMATICS AND SCIENCE SCHOLARS PROGRAM.—
 - [(1) GRANT FOR SCHOLARSHIPS.—The Secretary shall award grants under this subsection to provide scholarship support to eligible students.
 - [(2) ELIGIBLE STUDENTS.—A student is eligible for a scholarship under this subsection if the student—
 - [(A) meets the requirements of section 484(a);
 - [(B) is a full-time student in the student's first year of undergraduate study; and
 - [(C) has completed a rigorous secondary school curriculum in mathematics and science.
 - [(3) RIGOROUS CURRICULUM.—Each participating State shall determine the requirements for a rigorous secondary school curriculum in mathematics and science described in paragraph (2)(C).

[(4) PRIORITY FOR SCHOLARSHIPS.—The Governor of a State may set a priority for awarding scholarships under this subsection for particular eligible students, such as students attending schools in high-need local educational agencies (as defined in section 200), students who are from groups underrepresented in the fields of mathematics, science, and engineering, students served by local educational agencies that do not meet or exceed State standards in mathematics and science, or other high-need students.

[(5) AMOUNT AND DURATION OF SCHOLARSHIP.—The Secretary shall award a grant under this subsection to provide scholarships—

[(A) in an amount that does not exceed \$5,000 per student; and

[(B) for not more than one year of undergraduate study.

[(d) STEM OR HEALTH-RELATED SCHOLARS PROGRAM.—

[(1) GRANT FOR SCHOLARSHIPS.—The Secretary shall award grants under this subsection to provide scholarship support to eligible students.

[(2) ELIGIBLE STUDENTS.—A student is eligible for scholarship under this subsection if the student—

[(A) meets the requirements of section 484(a);

[(B) is a full-time student who has completed at least the first year of undergraduate study;

[(C) is enrolled in a program of undergraduate instruction leading to a bachelor's degree with a major in science, technology, engineering, mathematics, or a health-related field; and

[(D) has obtained a cumulative grade point average of at least a 3.0 (or the equivalent as determined under regulations prescribed by the Secretary) at the end of the most recently completed term.

[(3) PRIORITY FOR SCHOLARSHIPS.—The Governor of a State may set a priority for awarding scholarships under this subsection for students agreeing to work in areas of science, technology, engineering, mathematics, or health-related fields.

[(4) AMOUNT AND DURATION OF SCHOLARSHIP.—The Secretary shall award a grant under this subsection to provide scholarships—

[(A) in an amount that does not exceed \$5,000 per student for an academic year; and

[(B) in an aggregate amount that does not exceed \$20,000 per student.

[(e) MATCHING REQUIREMENT.—In order to receive a grant under this section, a State shall provide matching funds for the scholarships awarded under this section in an amount equal to 50 percent of the Federal funds received.

[(f) AUTHORIZATION.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[(g) DEFINITION.—The term “Governor” means the chief executive officer of a State.

[PART C—BUSINESS WORKFORCE PARTNERSHIPS FOR JOB SKILL TRAINING IN HIGH-GROWTH OCCUPATIONS OR INDUSTRIES

[SEC. 803. BUSINESS WORKFORCE PARTNERSHIPS FOR JOB SKILL TRAINING IN HIGH-GROWTH OCCUPATIONS OR INDUSTRIES.

[(a) PURPOSE.—The purpose of this section is to provide grants to institutions of higher education partnering with employers to—

[(1) provide relevant job skill training in high-growth and high-wage industries or occupations to nontraditional students; and

[(2) strengthen ties between degree credit offerings at institutions of higher education and business and industry workforce needs.

[(b) AUTHORIZATION.—

[(1) IN GENERAL.—From the amounts appropriated under subsection (k), the Secretary shall award grants, on a competitive basis, to eligible partnerships for the purpose provided in subsection (a).

[(2) DURATION.—The Secretary shall award grants under this section for a period of not less than 36 months and not more than 60 months.

[(3) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this section shall be used to supplement, and not supplant, other Federal, State, and local funds available to the eligible partnership for carrying out the activities described in subsection (c).

[(c) USE OF FUNDS.—In consultation with all of the members of an eligible partnership, grant funds provided under this section may be used to—

[(1) expand or create for-credit academic programs or programs of training that provide relevant job skill training for high-growth and high-wage occupations or industries, including offerings connected to registered apprenticeship programs and entrepreneurial training opportunities;

[(2) in consultation with faculty in the appropriate departments of an institution of higher education, adapt college offerings to the schedules and needs of working students, such as the creation of evening, weekend, modular, compressed, or distance learning formats;

[(3) purchase equipment that will facilitate the development of academic programs or programs of training that provide training for high-growth and high-wage occupations or industries;

[(4) strengthen outreach efforts that enable students, including students with limited English proficiency, to attend institutions of higher education with academic programs or programs of training focused on high-growth and high-wage occupations or industries;

[(5) expand worksite learning and training opportunities, including registered apprenticeships as appropriate; and

[(6) support other activities the Secretary determines to be consistent with the purpose of this section.

[(d) APPLICATION.—

[(1) IN GENERAL.—Each eligible partnership that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such additional information as the Secretary may require.

[(2) CONTENTS.—Each application submitted under paragraph (1) shall include a description of—

[(A) how the eligible partnership, through the institution of higher education, will provide relevant job skill training for students to enter high-growth and high-wage occupations or industries; and

[(B) how the eligible partnership has consulted with employers and, where applicable, labor organizations to identify local high-growth and high-wage occupations or industries.

[(e) AWARD BASIS.—In awarding grants under this section, the Secretary shall—

[(1) give priority to applications focused on serving nontraditional students;

[(2) ensure an equitable distribution of grant funds under this section among urban and rural areas of the United States; and

[(3) take into consideration the capability of an institution of higher education that is participating in an eligible partnership to—

[(A) offer one- or two-year high-quality programs of instruction and job skill training for students entering a high-growth and high-wage occupation or industry;

[(B) involve the local business community, and to place graduates in employment in high-growth and high-wage occupations or industries in the community; and

[(C) serve adult workers or displaced workers.

[(f) ADMINISTRATIVE COSTS.—A grantee under this section may use not more than five percent of the grant amount to pay administrative costs associated with activities funded by the grant.

[(g) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to grantees under this section throughout the grant period.

[(h) EVALUATION.—The Secretary shall conduct an evaluation of the effectiveness of the program under this section based on performance standards developed in consultation with the Department of Labor, and shall disseminate to the public the findings of such evaluation and information related to promising practices developed under this section.

[(i) REPORT TO CONGRESS.—Not later than 36 months after the first grant is awarded under this section, the Comptroller General shall report to the authorizing committees recommendations—

[(1) for changes to this Act and related Acts, such as the Carl D. Perkins Career and Technical Education Act of 2006 and the Workforce Investment Act of 1998 (including titles I and II), to help create and sustain business and industry workforce partnerships at institutions of higher education; and

[(2) for other changes to this Act and related Acts to otherwise strengthen the links between business and industry workforce needs, workforce development programs, and other degree credit offerings at institutions of higher education.

[(j) DEFINITIONS.—In this section:

[(1) ELIGIBLE PARTNERSHIP.—

[(A) IN GENERAL.—The term “eligible partnership” means a partnership that includes—

[(i) one or more institutions of higher education, one of which serves as the fiscal agent and grant recipient for the eligible partnership;

[(ii) except as provided in subparagraph (B), an employer, group of employers, local board (as such term is defined in section 3 of the Workforce Innovation and Opportunity Act), or workforce intermediary, or any combination thereof; and

[(iii) where applicable, one or more labor organizations that represent workers locally in the businesses or industries that are the focus of the partnership, including as a result of such an organization’s representation of employees at a worksite at which the partnership proposes to conduct activities under this section.

[(B) STATE AND LOCAL BOARDS.—Notwithstanding subparagraph (A), if an institution of higher education that is participating in an eligible partnership under this section is located in a State that does not operate local boards, an eligible partnership may include a State board (as such term is defined in section 3 of the Workforce Innovation and Opportunity Act).

[(C) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit an eligible partnership that is in existence on the date of enactment of the Higher Education Opportunity Act from applying for a grant under this section.

[(2) NONTRADITIONAL STUDENT.—The term “nontraditional student” means a student—

[(A) who is an independent student, as defined in section 480(d);

[(B) who attends an institution of higher education—

[(i) on less than a full-time basis;

[(ii) via evening, weekend, modular, or compressed courses; or

[(iii) via distance education methods; and

[(C) who—

[(i) enrolled for the first time in an institution of higher education three or more years after completing high school; or

[(ii) works full-time.

[(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

**[PART D—CAPACITY FOR NURSING STUDENTS
AND FACULTY**

[SEC. 804. CAPACITY FOR NURSING STUDENTS AND FACULTY.

[(a) AUTHORIZATION.—From the amounts appropriated under subsection (f), the Secretary shall award grants to institutions of higher education that offer—

[(1) an accredited registered nursing program at the baccalaureate or associate degree level to enable such program to expand the faculty and facilities of such program to accommodate additional students in such program; or

[(2) an accredited graduate-level nursing program to accommodate advanced practice degrees for registered nurses or to accommodate students enrolled in such program to become teachers of nursing students.

[(b) DETERMINATION OF NUMBER OF STUDENTS AND APPLICATION.—Each institution of higher education that offers a program described in subsection (a) that desires to receive a grant under this section shall—

[(1) determine, for the four academic years preceding the academic year for which the determination is made, the average number of matriculated nursing program students, in each of the institution's accredited associate, baccalaureate, or advanced nursing degree programs at such institution for such academic years;

[(2) submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require, including the average number in each of the institution's accredited nursing programs determined under paragraph (1); and

[(3) with respect to the partnerships described in subsection (c)(2)(B), provide assurances that—

[(A) the individuals enrolled in the program will—

[(i) be registered nurses in pursuit of a master's or doctoral degree in nursing; and

[(ii) have a contractual obligation with the hospital or health facility that is in partnership with the institution of higher education;

[(B) the hospital or health facility of employment will be the clinical site for the accredited school of nursing program, if the program requires a clinical site;

[(C) individuals enrolled in the program will—

[(i) maintain their employment on at least a part-time basis with the hospital or health facility that allowed them to participate in the program; and

[(ii) receive an income from the hospital or health facility, as at least a part-time employee, and release times or flexible schedules, to accommodate their program requirements, as necessary; and

[(D) upon completion of the program, recipients of scholarships described in subsection (c)(2)(B)(ii)(III) will be required to teach for two years in an accredited school of nursing for each year of support the individual received under this section.

[(c) GRANT AMOUNT; AWARD BASIS.—

[(1) GRANT AMOUNT.—For each academic year after academic year 2009–2010, the Secretary is authorized to provide to each institution of higher education awarded a grant under this section an amount that is equal to \$3,000 multiplied by the number by which—

[(A) the number of matriculated nursing program students at such institution for such academic year, exceeds

[(B) the average number determined with respect to such institution under subsection (b)(1).

[(2) DISTRIBUTION OF GRANTS AMONG DIFFERENT DEGREE PROGRAMS.—

[(A) IN GENERAL.—Subject to subparagraph (D), from the funds available to award grants under this section for each fiscal year, the Secretary shall—

[(i) use 20 percent of such funds to award grants under this section to institutions of higher education for the purpose of accommodating advanced practice degrees or students in accredited graduate-level nursing programs;

[(ii) use 40 percent of such funds to award grants under this section to institutions of higher education for the purpose of expanding accredited registered nurse programs at the baccalaureate degree level; and

[(iii) use 40 percent of such funds to award grants under this section to institutions of higher education for the purpose of expanding accredited registered nurse programs at the associate degree level.

[(B) OPTIONAL USES OF FUNDS.—Grants awarded under this section may be used to support partnerships with hospitals or health facilities to—

[(i) improve the alignment between nursing education and the emerging challenges of health care delivery by—

[(I) the purchase of distance learning technologies and expanding methods of delivery of instruction to include alternatives to onsite learning; and

[(II) the collection, analysis, and dissemination of data on educational outcomes and best practices identified through the activities described in this section; and

[(ii) ensure that students can earn a salary while obtaining an advanced degree in nursing with the goal of becoming nurse faculty by—

[(I) funding release time for qualified nurses enrolled in the graduate nursing program;

[(II) providing for faculty salaries; or

[(III) providing scholarships to qualified nurses in pursuit of an advanced degree with the goal of becoming faculty members in an accredited nursing program.

[(C) CONSIDERATIONS IN MAKING AWARDS.—In awarding grants under this section, the Secretary shall consider the following:

[(i) GEOGRAPHIC DISTRIBUTION.—Providing an equitable geographic distribution of such grants.

[(ii) URBAN AND RURAL AREAS.—Distributing such grants to urban and rural areas.

[(iii) RANGE AND TYPE OF INSTITUTION.—Ensuring that the activities to be assisted are developed for a range of types and sizes of institutions of higher education, including institutions providing alternative methods of delivery of instruction in addition to on-site learning.

[(D) DISTRIBUTION OF EXCESS FUNDS.—If, for a fiscal year, funds described in clause (i), (ii), or (iii) of subparagraph (A) remain available after the Secretary awards grants under this section to all applicants for the particular category of accredited nursing programs described in such clause, the Secretary shall use equal amounts of the remaining funds to award grants under this section to applicants that applied under the other categories of nursing programs.

[(E) LIMITATION.—Of the amount appropriated to carry out this section, the Secretary may award not more than ten percent of such amount for the optional purposes under subparagraph (B).

[(d) DEFINITIONS.—For purposes of this section:

[(1) HEALTH FACILITY.—The term “health facility” means an Indian health service center, a Native Hawaiian health center, a hospital, a federally qualified health center, a rural health clinic, a nursing home, a home health agency, a hospice program, a public health clinic, a State or local department of public health, a skilled nursing facility, or an ambulatory surgical center.

[(2) PUBLIC HEALTH SERVICE ACT.—The terms “accredited” and “school of nursing” have the meanings given those terms in section 801 of the Public Health Service Act (42 U.S.C. 296).

[(e) PROHIBITION.—

[(1) IN GENERAL.—Funds provided under this section may not be used for the construction of new facilities.

[(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) shall be construed to prohibit funds provided under this section from being used for the repair or renovation of facilities.

[(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART E—AMERICAN HISTORY FOR FREEDOM

[SEC. 805. AMERICAN HISTORY FOR FREEDOM.

[(a) GRANTS AUTHORIZED.—From the amounts appropriated under subsection (f), the Secretary is authorized to award three-year grants, on a competitive basis, to eligible institutions to establish or strengthen postsecondary academic programs or centers that promote and impart knowledge of—

[(1) traditional American history;

[(2) the history and nature of, and threats to, free institutions; or

[(3) the history and achievements of Western civilization.

[(b) DEFINITIONS.—In this section:

[(1) ELIGIBLE INSTITUTION.—The term “eligible institution” means an institution of higher education as defined in section 101.

[(2) FREE INSTITUTION.—The term “free institution” means an institution that emerged out of Western civilization, such as democracy, constitutional government, individual rights, market economics, religious freedom and religious tolerance, and freedom of thought and inquiry.

[(3) TRADITIONAL AMERICAN HISTORY.—The term “traditional American history” means—

[(A) the significant constitutional, political, intellectual, economic, and foreign policy trends and issues that have shaped the course of American history; and

[(B) the key episodes, turning points, and leading figures involved in the constitutional, political, intellectual, diplomatic, and economic history of the United States.

[(c) APPLICATION.—

[(1) IN GENERAL.—Each eligible institution that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

[(2) CONTENTS.—Each application submitted under paragraph (1) shall include a description of—

[(A) how funds made available under this section will be used for the activities set forth under subsection (e), including how such activities will increase knowledge with respect to traditional American history, free institutions, or Western civilization;

[(B) how the eligible institution will ensure that information about the activities funded under this section is widely disseminated pursuant to subsection (e)(1)(B);

[(C) any activities to be undertaken pursuant to subsection (e)(2)(A), including identification of entities intended to participate;

[(D) how funds made available under this section shall be used to supplement and not supplant non-Federal funds available for the activities described in subsection (e); and

[(E) such fiscal controls and accounting procedures as may be necessary to ensure proper disbursement of and accounting for funding made available to the eligible institution under this section.

[(d) AWARD BASIS.—In awarding grants under this section, the Secretary shall take into consideration the capability of the eligible institution to—

[(1) increase access to quality programming that expands knowledge of traditional American history, free institutions, or Western civilization;

[(2) involve personnel with strong expertise in traditional American history, free institutions, or Western civilization; and

[(3) sustain the activities funded under this section after the grant has expired.

[(e) USE OF FUNDS.—

[(1) REQUIRED USE OF FUNDS.—Funds provided under this section shall be used to—

[(A) establish or strengthen academic programs or centers focused on traditional American history, free institutions, or Western civilization, which may include—

[(i) design and implementation of programs of study, courses, lecture series, seminars, and symposia;

[(ii) development, publication, and dissemination of instructional materials;

[(iii) research;

[(iv) support for faculty teaching in undergraduate and, if applicable, graduate programs;

[(v) support for graduate and postgraduate fellowships, if applicable; or

[(vi) teacher preparation initiatives that stress content mastery regarding traditional American history, free institutions, or Western civilization; and

[(B) conduct outreach activities to ensure that information about the activities funded under this section is widely disseminated—

[(i) to undergraduate students (including students enrolled in teacher education programs, if applicable);

[(ii) to graduate students (including students enrolled in teacher education programs, if applicable);

[(iii) to faculty;

[(iv) to local educational agencies; and

[(v) within the local community.

[(2) ALLOWABLE USES OF FUNDS.—Funds provided under this section may be used to support—

[(A) collaboration with entities such as—

[(i) local educational agencies, for the purpose of providing elementary and secondary school teachers an opportunity to enhance their knowledge of traditional American history, free institutions, or Western civilization; and

[(ii) nonprofit organizations whose mission is consistent with the purpose of this section, such as academic organizations, museums, and libraries, for assistance in carrying out activities described under subsection (a); and

[(B) other activities that meet the purposes of this section.

[(f) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART F—TEACH FOR AMERICA

[SEC. 806. TEACH FOR AMERICA.

[(a) DEFINITIONS.—For purposes of this section:

[(1) GRANTEE.—The term “grantee” means Teach For America, Inc.

[(3) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term “high-need local educational agency” has the meaning given such term in section 200.

[(b) GRANTS AUTHORIZED.—From the amounts appropriated under subsection (f), the Secretary is authorized to award a five-year grant to Teach For America, Inc., the national teacher corps of outstanding recent college graduates who commit to teach for two years in underserved communities in the United States, to implement and expand its program of recruiting, selecting, training, and supporting new teachers.

[(c) REQUIREMENTS.—In carrying out the grant program under subsection (b), the Secretary shall enter into an agreement with the grantee under which the grantee agrees to use the grant funds provided under this section to—

[(1) provide teachers who meet the applicable State certification and licensure requirements, including any requirements for certification obtained through alternative routes to certification, or, with regard to special education teachers, the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act, to high-need local educational agencies in urban and rural communities;

[(2) pay the costs of recruiting, selecting, training, and supporting new teachers; and

[(3) serve a substantial number and percentage of underserved students.

[(d) AUTHORIZED ACTIVITIES.—

[(1) IN GENERAL.—Grant funds provided under this section shall be used by the grantee to carry out each of the following activities:

[(A) Recruiting and selecting teachers through a highly selective national process.

[(B) Providing preservice training to such teachers through a rigorous summer institute that includes hands-on teaching experience and significant exposure to education coursework and theory.

[(C) Placing such teachers in schools and positions designated by high-need local educational agencies as high-need placements serving underserved students.

[(D) Providing ongoing professional development activities for such teachers’ first two years in the classroom, including regular classroom observations and feedback, and ongoing training and support.

[(2) LIMITATION.—The grantee shall use all grant funds received under this section to support activities related directly to the recruitment, selection, training, and support of teachers as described in subsection (b), except that funds may be used for non-programmatic costs in accordance with subsection (f)(2).

[(e) REPORTS AND EVALUATIONS.—

[(1) ANNUAL REPORT.—The grantee shall provide to the Secretary an annual report that includes—

[(A) data on the number and quality of the teachers provided to local educational agencies through a grant under this section;

[(B) an externally conducted analysis of the satisfaction of local educational agencies and principals with the teachers so provided; and

[(C) comprehensive data on the background of the teachers chosen, the training such teachers received, the placement sites of such teachers, the professional development of such teachers, and the retention of such teachers.

[(2) STUDY.—

[(A) IN GENERAL.—From funds appropriated under subsection (f), the Secretary shall provide for a study that examines the achievement levels of the students taught by the teachers assisted under this section.

[(B) STUDENT ACHIEVEMENT GAINS COMPARED.—The study shall compare, within the same schools, the achievement gains made by students taught by teachers who are assisted under this section with the achievement gains made by students taught by teachers who are not assisted under this section.

[(C) REQUIREMENTS.—The Secretary shall provide for such a study not less than once every three years, and each such study shall include multiple placement sites and multiple schools within placement sites.

[(D) PEER REVIEW STANDARDS.—Each such study shall meet the peer review standards of the education research community. Further, the peer review standards shall ensure that reviewers are practicing researchers and have expertise in assessment systems, accountability, psychometric measurement and statistics, and instruction.

[(3) ACCOUNTING, FINANCIAL REPORTING, AND INTERNAL CONTROL SYSTEMS.—

[(A) IN GENERAL.—The grantee shall contract with an independent auditor to conduct a comprehensive review of the grantee's accounting, financial reporting, and internal control systems. Such review shall assess whether that grantee's accounting, financial reporting, and internal control systems are designed to—

[(i) provide information that is complete, accurate, and reliable;

[(ii) reasonably detect and prevent material misstatements, as well as fraud, waste, and abuse; and

[(iii) provide information to demonstrate the grantee's compliance with related Federal programs, as applicable.

[(B) REVIEW REQUIREMENTS.—Not later than 90 days after the grantee receives funds to carry out this section for the first fiscal year in which funds become available to carry out this section after the date of enactment of the Higher Education Opportunity Act, the independent auditor shall complete the review required by this paragraph.

[(C) REPORT.—Not later than 120 days after the grantee receives funds to carry out this section for the first fiscal year in which funds become available to carry out this section after the date of enactment of the Higher Education

Opportunity Act, the independent auditor shall submit a report to the authorizing committees and the Secretary of the findings of the review required under this paragraph, including any recommendations of the independent auditor, as appropriate, with respect to the grantee's accounting, financial reporting, and internal control systems.

[(f) AUTHORIZATION OF APPROPRIATIONS.—

[(1) IN GENERAL.—The amount authorized to be appropriated to carry out this section shall not exceed—

[(A) \$20,000,000 for fiscal year 2009;

[(B) \$25,000,000 for fiscal year 2010; and

[(C) such sums as may be necessary for each of the four succeeding fiscal years.

[(2) LIMITATION.—The grantee shall not use more than 5 percent of Federal funds made available under this section for non-programmatic costs to carry out this section.

[PART G—PATSY T. MINK FELLOWSHIP PROGRAM

[SEC. 807. PATSY T. MINK FELLOWSHIP PROGRAM.

[(a) PURPOSE; DESIGNATION.—

[(1) IN GENERAL.—It is the purpose of this section to provide, through eligible institutions, a program of fellowship awards to assist highly qualified minorities and women to acquire the doctoral degree, or highest possible degree available, in academic areas in which such individuals are underrepresented for the purpose of enabling such individuals to enter the higher education professoriate.

[(2) DESIGNATION.—Each recipient of a fellowship award from an eligible institution receiving a grant under this section shall be known as a "Patsy T. Mink Graduate Fellow".

[(b) ELIGIBLE INSTITUTION.—In this section, the term "eligible institution" means an institution of higher education, or a consortium of such institutions, that offers a program of postbaccalaureate study leading to a graduate degree.

[(c) PROGRAM AUTHORIZED.—

[(1) GRANTS BY SECRETARY.—

[(A) IN GENERAL.—From the amounts appropriated under subsection (f), the Secretary shall award grants to eligible institutions to enable such institutions to make fellowship awards to individuals in accordance with the provisions of this section.

[(B) PRIORITY CONSIDERATION.—In awarding grants under this section, the Secretary shall consider the eligible institution's prior experience in producing doctoral degree, or highest possible degree available, holders who are minorities and women, and shall give priority consideration in making grants under this section to those eligible institutions with a demonstrated record of producing minorities and women who have earned such degrees.

[(2) APPLICATIONS.—

[(A) IN GENERAL.—An eligible institution that desires a grant under this section shall submit an application to the

Secretary at such time, in such manner, and containing such information as the Secretary may require.

【(B) APPLICATIONS MADE ON BEHALF.—The following entities may submit an application on behalf of an eligible institution:

【(i) A graduate school or department of such institution.

【(ii) A graduate school or department of such institution in collaboration with an undergraduate college or school of such institution.

【(iii) An organizational unit within such institution that offers a program of postbaccalaureate study leading to a graduate degree, including an interdisciplinary or an interdepartmental program.

【(C) PARTNERSHIP.—In developing a grant application and carrying out the grant activities authorized under this section, an eligible institution may partner with a non-profit organization with a demonstrated record of helping minorities and women earn postbaccalaureate degrees.

【(3) SELECTION OF APPLICATIONS.—In awarding grants under paragraph (1), the Secretary shall—

【(A) take into account—

【(i) the number and distribution of minority and female faculty nationally;

【(ii) the current and projected need for highly trained individuals in all areas of the higher education professoriate; and

【(iii) the present and projected need for highly trained individuals in academic career fields in which minorities and women are underrepresented in the higher education professoriate; and

【(B) consider the need to prepare a large number of minorities and women generally in academic career fields of high national priority, especially in areas in which such individuals are traditionally underrepresented in college and university faculty.

【(4) DISTRIBUTION AND AMOUNTS OF GRANTS.—

【(A) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall, to the maximum extent feasible, ensure an equitable geographic distribution of awards and an equitable distribution among public and private eligible institutions that apply for grants under this section and that demonstrate an ability to achieve the purpose of this section.

【(B) SPECIAL RULE.—To the maximum extent practicable, the Secretary shall use not less than 30 percent of the amount appropriated pursuant to subsection (f) to award grants to eligible institutions that are eligible for assistance under title III or title V, or to consortia of eligible institutions that include at least one eligible institution that is eligible for assistance under title III or title V.

【(C) ALLOCATION.—In awarding grants under this section, the Secretary shall allocate appropriate funds to those eligible institutions whose applications indicate an ability to significantly increase the numbers of minorities

and women entering the higher education professoriate and that commit institutional resources to the attainment of the purpose of this section.

[(D) NUMBER OF FELLOWSHIP AWARDS.—An eligible institution that receives a grant under this section shall make not less than ten fellowship awards.

[(E) INSUFFICIENT FUNDS.—If the amount appropriated is not sufficient to permit all grantees under this section to provide the minimum number of fellowships required by subparagraph (D), the Secretary may, after awarding as many grants to support the minimum number of fellowships as such amount appropriated permits, award grants that do not require the grantee to award the minimum number of fellowships required by such subparagraph.

[(5) INSTITUTIONAL ALLOWANCE.—

[(A) IN GENERAL.—

[(i) NUMBER OF ALLOWANCES.—In awarding grants under this section, the Secretary shall pay to each eligible institution awarded a grant, for each individual awarded a fellowship by such institution under this section, an institutional allowance.

[(ii) AMOUNT.—Except as provided in subparagraph (C), for academic year 2009–2010 and succeeding academic years, an institutional allowance under this paragraph shall be in an amount equal to the amount of institutional allowance made to an institution of higher education under section 715 for such academic year.

[(B) USE OF FUNDS.—Institutional allowances may be expended at the discretion of the eligible institution and may be used to provide, except as prohibited under subparagraph (D), academic support and career transition services for individuals awarded fellowships by such institution.

[(C) REDUCTION.—The institutional allowance paid under subparagraph (A) shall be reduced by the amount the eligible institution charges and collects from a fellowship recipient for tuition and other expenses as part of the recipient's instructional program.

[(D) USE FOR OVERHEAD PROHIBITED.—Funds made available under this section may not be used for general operational overhead of the academic department or institution receiving funds under this section.

[(d) FELLOWSHIP RECIPIENTS.—

[(1) AUTHORIZATION.—An eligible institution that receives a grant under this section shall use the grant funds to make fellowship awards to minorities and women who are enrolled at such institution in a doctoral degree program, or program for the highest possible degree available, and—

[(A) intend to pursue a career in instruction at—

[(i) an institution of higher education (as the term is defined in section 101);

[(ii) an institution of higher education (as the term is defined in section 102(a)(1)); and

[(iii) a proprietary institution of higher education (as the term is defined in section 102(b)); and

[(B) sign an agreement with the Secretary agreeing—

[(i) to begin employment at an institution described in subparagraph (A) not later than three years after receiving the doctoral degree or highest possible degree available, which three-year period may be extended by the Secretary for extraordinary circumstances; and

[(ii) to be employed by such institution for one year for each year of fellowship assistance received under this section.

[(2) REPAYMENT FOR FAILURE TO COMPLY.—In the event that any recipient of a fellowship under this section fails or refuses to comply with the agreement signed pursuant to paragraph (1)(B), the sum of the amounts of any fellowship received by such recipient shall, upon a determination of such a failure or refusal to comply, be treated as a Federal Direct Unsubsidized Stafford Loan under part D of title IV, and shall be subject to repayment, together with interest thereon accruing from the date of the grant award, in accordance with terms and conditions specified by the Secretary in regulations under this section.

[(3) WAIVER AND MODIFICATION.—

[(A) REGULATIONS.—The Secretary shall promulgate regulations setting forth criteria to be considered in granting a waiver for the service requirement under paragraph (1)(B).

[(B) CONTENT.—The criteria under subparagraph (A) shall include whether compliance with the service requirement by the fellowship recipient would be—

[(i) inequitable and represent an extraordinary hardship; or

[(ii) deemed impossible because the individual is permanently and totally disabled at the time of the waiver request.

[(4) AMOUNT OF FELLOWSHIP AWARDS.—Fellowship awards under this section shall consist of a stipend in an amount equal to the level of support provided to fellows under the National Science Foundation Graduate Research Fellowship Program, except that such stipend shall be adjusted as necessary so as not to exceed the fellow's tuition and fees or demonstrated need (as determined by the institution of higher education where the graduate student is enrolled), whichever is greater.

[(5) ACADEMIC PROGRESS REQUIRED.—An individual student shall not be eligible to receive a fellowship award—

[(A) except during periods in which such student is enrolled, and such student is maintaining satisfactory academic progress in, and devoting essentially full time to, study or research in the pursuit of the degree for which the fellowship support was awarded; and

[(B) if the student is engaged in gainful employment, other than part-time employment in teaching, research, or similar activity determined by the eligible institution to be

consistent with and supportive of the student's progress toward the appropriate degree.

[(e) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to require an eligible institution that receives a grant under this section—

[(1) to grant a preference to or to differentially treat any applicant for a faculty position as a result of the institution's participation in the program under this section; or

[(2) to hire a Patsy T. Mink Fellow who completes this program and seeks employment at such institution.

[(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART H—IMPROVING COLLEGE ENROLLMENT BY SECONDARY SCHOOLS

[SEC. 808. IMPROVING COLLEGE ENROLLMENT BY SECONDARY SCHOOLS.

[(a) **IN GENERAL.**—From the amounts appropriated under subsection (c), the Secretary shall award a grant to one nonprofit organization described in subsection (b) to enable the nonprofit organization—

[(1) to make publicly available the year-to-year postsecondary education enrollment rate trends of secondary school students, disaggregated by secondary school, in compliance with section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”);

[(2) to identify not less than 50 urban local educational agencies and five States with significant rural populations, each serving a significant population of low-income students, and to carry out a comprehensive assessment in the agencies and States of the factors known to contribute to improved postsecondary education enrollment rates, which factors shall include—

[(A) the local educational agency's and State's leadership strategies and capacities;

[(B) the secondary school curriculum and class offerings of the local educational agency and State;

[(C) the professional development used by the local educational agency and the State to assist teachers, guidance counselors, and administrators in supporting the transition of secondary students to postsecondary education;

[(D) secondary school student attendance and other factors demonstrated to be associated with enrollment into postsecondary education;

[(E) the use of data systems by the local educational agency and the State to measure postsecondary education enrollment rates and the incentives in place to motivate the efforts of faculty and students to improve student and schoolwide outcomes; and

[(F) strategies to mobilize student leaders to build a college-bound culture; and

[(3) to provide comprehensive services to improve the schoolwide postsecondary education enrollment rates of each of not less than ten local educational agencies and States, with the federally funded portion of each project declining by not less than 20 percent each year beginning in the second year of the comprehensive services, that—

[(A) participated in the needs assessment described in paragraph (2); and

[(B) demonstrated a willingness and commitment to improving the postsecondary education enrollment rates of the local educational agency or State, respectively.

[(b) GRANT RECIPIENT CRITERIA.—The recipient of the grant awarded under subsection (a) shall be a nonprofit organization with demonstrated expertise—

[(1) in increasing schoolwide postsecondary enrollment rates in low-income communities nationwide by providing curriculum, training, and technical assistance to secondary school staff and student peer influencers; and

[(2) in a postsecondary education transition data management system.

[(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART I—EARLY CHILDHOOD EDUCATION PROFESSIONAL DEVELOPMENT AND CAREER TASK FORCE

[SEC. 811. PURPOSE.

[(The purposes of this part are—

[(1) to improve the quality of the early childhood education workforce by creating a statewide early childhood education professional development and career task force for early childhood education program staff, directors, administrators, and faculty; and

[(2) to create—

[(A) a coherent system of core competencies, pathways to qualifications, credentials, degrees, quality assurances, access, and outreach, for early childhood education program staff, directors, administrators, and faculty that is linked to compensation commensurate with experience and qualifications;

[(B) articulation agreements that enable early childhood education professionals to transition easily among degrees; and

[(C) compensation initiatives for individuals working in an early childhood education program that reflect the individuals' credentials, degrees, and experience.

[SEC. 812. DEFINITION OF EARLY CHILDHOOD EDUCATION PROGRAM.

[(In this part, the term “early childhood education program” means—

[(1) a Head Start program or an Early Head Start program carried out under the Head Start Act (42 U.S.C. 9831 et seq.),

including a migrant or seasonal Head Start program or an Indian Head Start program;

[(2) a State licensed or regulated child care program; or

[(3) a State prekindergarten program or a program authorized under section 619 or part C of the Individuals with Disabilities Education Act, that serves children from birth through age six and that addresses the children's cognitive (including language, early literacy, and pre-numeracy), social, emotional, and physical development.

[SEC. 813. GRANTS AUTHORIZED.

[(a) IN GENERAL.—From the amounts appropriated under section 818, the Secretary is authorized to award grants to States in accordance with the provisions of this part to enable such States—

[(1) to establish a State Task Force described in section 814; and

[(2) to support activities of the State Task Force described in section 815.

[(b) COMPETITIVE BASIS.—Grants under this part shall be awarded on a competitive basis.

[(c) EQUITABLE GEOGRAPHIC DISTRIBUTION.—In awarding grants under this part, the Secretary shall take into consideration providing an equitable geographic distribution of such grants.

[(d) DURATION.—Grants under this part shall be awarded for a period of five years.

[SEC. 814. STATE TASK FORCE ESTABLISHMENT.

[(a) STATE TASK FORCE ESTABLISHED.—The Governor of a State receiving a grant under this part shall establish, or designate an existing entity to serve as, the State Early Childhood Education Professional Development and Career Task Force (hereafter in this part referred to as the “State Task Force”).

[(b) MEMBERSHIP.—The State Task Force shall include a representative of a State agency, an institution of higher education (including an associate or a baccalaureate degree granting institution of higher education), an early childhood education program, a nonprofit early childhood organization, a statewide early childhood workforce scholarship or supplemental initiative, the State Head Start collaboration director, and any other entity or individual the Governor determines appropriate.

[SEC. 815. STATE TASK FORCE ACTIVITIES.

[(a) ACTIVITIES.—The State Task Force shall—

[(1) coordinate and communicate regularly with the State Advisory Council on Early Care and Education (hereafter in this part referred to as “State Advisory Council”) or a similar State entity charged with creating a comprehensive system of early care and education in the State, for the purposes of—

[(A) integrating recommendations for early childhood professional development and career activities into the plans of the State Advisory Council; and

[(B) assisting in the implementation of professional development and career activities that are consistent with the plans described in subparagraph (A);

[(2) conduct a review of opportunities for and barriers to high-quality professional development, training, and higher education degree programs, in early childhood development

and learning, including a periodic statewide survey concerning the demographics of individuals working in early childhood education programs in the State, which survey shall include information disaggregated by—

- [(A) race, gender, and ethnicity;
- [(B) compensation levels;
- [(C) type of early childhood education program setting;
- [(D) specialized knowledge of child development;
- [(E) years of experience in an early childhood education program;
- [(F) attainment of—
 - [(i) academic credit for coursework;
 - [(ii) an academic degree;
 - [(iii) a credential;
 - [(iv) licensure; or
 - [(v) certification in early childhood education; and
- [(G) specialized knowledge in the education of children with limited English proficiency and students with disabilities; and

[(3) develop a plan for a comprehensive statewide professional development and career system for individuals working in early childhood education programs or for early childhood education providers, which plan may include—

[(A) methods of providing outreach to early childhood education program staff, directors, and administrators, including methods for how outreach is provided to non-English speaking providers, in order to enable the providers to be aware of opportunities and resources under the statewide plan;

[(B) developing a unified data collection and dissemination system for early childhood education training, professional development, and higher education programs;

[(C) increasing the participation of early childhood educators in high-quality training and professional development by assisting in paying the costs of enrollment in and completion of such training and professional development courses;

[(D) increasing the participation of early childhood educators in undergraduate and graduate education programs leading to degrees in early childhood education by providing assistance to pay the costs of enrollment in and completion of such programs, which assistance—

[(i) shall only be provided to an individual who—

[(I) in the case of an individual pursuing an undergraduate or graduate degree, enters into an agreement under which the individual agrees to work, for a reasonable number of years after receiving such a degree, in an early childhood education program that is located in a low-income area; and

[(II) has a family income equal to or less than the annually adjusted national median family income as determined by the Bureau of the Census; and

[(ii) shall be provided in an amount that does not exceed \$17,500;

[(E) supporting professional development activities and a career lattice for a variety of early childhood professional roles with varying professional qualifications and responsibilities for early childhood education personnel, including strategies to enhance the compensation of such personnel;

[(F) supporting articulation agreements between two- and four-year public and private institutions of higher education and mechanisms to transform other training, professional development, and experience into academic credit;

[(G) developing mentoring and coaching programs to support new educators in and directors of early childhood education programs;

[(H) providing career development advising with respect to the field of early childhood education, including informing an individual regarding—

[(i) entry into and continuing education requirements for professional roles in the field;

[(ii) available financial assistance for postsecondary education; and

[(iii) professional development and career advancement in the field;

[(I) enhancing the capacity and quality of faculty and coursework in postsecondary programs that lead to an associate, baccalaureate, or graduate degree in early childhood education;

[(J) consideration of the availability of on-line graduate level professional development offered by institutions of higher education with experience and demonstrated expertise in establishing programs in child development, in order to improve the skills and expertise of individuals working in early childhood education programs; and

[(K) developing or enhancing a system of quality assurance with respect to the early childhood education professional development and career system, including standards or qualifications for individuals and entities who offer training and professional development in early childhood education.

[(b) PUBLIC HEARINGS.—The State Task Force shall hold public hearings and provide an opportunity for public comment on the activities described in the statewide plan described in subsection (a)(3).

[(c) PERIODIC REVIEW.—The State Task Force shall meet periodically to review implementation of the statewide plan and to recommend any changes to the statewide plan the State Task Force determines necessary.

[SEC. 816. STATE APPLICATION AND REPORT.

[(a) IN GENERAL.—Each State desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require. Each such application shall include a description of—

[(1) the membership of the State Task Force;

[(2) the activities for which the grant assistance will be used;

[(3) other Federal, State, local, and private resources that will be available to support the activities of the State Task Force described in section 815;

[(4) the availability within the State of training, early childhood educator preparation, professional development, compensation initiatives, and career systems, related to early childhood education; and

[(5) the resources available within the State for such training, educator preparation, professional development, compensation initiatives, and career systems.

[(b) REPORT TO THE SECRETARY.—Not later than two years after receiving a grant under this part, a State shall submit a report to the Secretary that shall describe—

[(1) other Federal, State, local, and private resources that will be used in combination with a grant under this section to develop or expand the State's early childhood education professional development and career activities;

[(2) the ways in which the State Advisory Council (or similar State entity) will coordinate the various State and local activities that support the early childhood education professional development and career system; and

[(3) the ways in which the State Task Force will use funds provided under this part and carry out the activities described in section 815.

[SEC. 817. EVALUATIONS.

[(a) STATE EVALUATION.—Each State receiving a grant under this part shall—

[(1) evaluate the activities that are assisted under this part in order to determine—

[(A) the effectiveness of the activities in achieving State goals;

[(B) the impact of a career lattice for individuals working in early childhood education programs;

[(C) the impact of the activities on licensing or regulating requirements for individuals in the field of early childhood development;

[(D) the impact of the activities, and the impact of the statewide plan described in section 815(a)(3), on the quality of education, professional development, and training related to early childhood education programs that are offered in the State;

[(E) the change in compensation and retention of individuals working in early childhood education programs within the State resulting from the activities; and

[(F) the impact of the activities on the demographic characteristics of individuals working in early childhood education programs; and

[(2) submit a report at the end of the grant period to the Secretary regarding the evaluation described in paragraph (1).

[(b) SECRETARY'S EVALUATION.—Not later than September 30, 2013, the Secretary, in consultation with the Secretary of Health and Human Services, shall prepare and submit to the authorizing

committees an evaluation of the State reports submitted under subsection (a)(2).

[SEC. 818. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART J—IMPROVING SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS EDUCATION WITH A FOCUS ON ALASKA NATIVE AND NATIVE HAWAIIAN STUDENTS

[SEC. 819. IMPROVING SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS EDUCATION WITH A FOCUS ON ALASKA NATIVE AND NATIVE HAWAIIAN STUDENTS.

[(a) PURPOSE.—The purposes of this section are—

[(1) to develop or expand programs for the development of professionals in the fields of science, technology, engineering, and mathematics; and

[(2) to focus resources on meeting the educational and cultural needs of Alaska Natives and Native Hawaiians.

[(b) DEFINITIONS.—In this section:

[(1) ALASKA NATIVE.—The term “Alaska Native” has the meaning given such term in section 6306 of the Elementary and Secondary Education Act of 1965.

[(2) ELIGIBLE PARTNERSHIP.—The term “eligible partnership” means a partnership that includes—

[(A) one or more colleges, schools, or departments of engineering;

[(B) one or more colleges of science or mathematics;

[(C) one or more institutions of higher education that offer two-year degrees; and

[(D) one or more private entities that—

[(i) conduct career awareness activities showcasing local technology professionals;

[(ii) encourage students to pursue education in science, technology, engineering, and mathematics from elementary school through postsecondary education, and careers in those fields, with the assistance of local technology professionals;

[(iii) develop internships, apprenticeships, and mentoring programs in partnership with relevant industries; and

[(iv) assist with placement of interns and apprentices.

[(3) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given such term in section 101(a).

[(4) NATIVE HAWAIIAN.—The term “Native Hawaiian” has the meaning given the term in section 6207 of the Elementary and Secondary Education Act of 1965.

[(c) GRANT AUTHORIZED.—From the amounts appropriated to carry out this section under subsection (i), the Secretary is authorized to award a grant to an eligible partnership to enable the eligi-

ble partnership to expand programs for the development of science, technology, engineering, or mathematics professionals, from elementary school through postsecondary education, including existing programs for Alaska Native and Native Hawaiian students.

[(d) USES OF FUNDS.—Grant funds under this section shall be used for one or more of the following:

[(1) Development or implementation of cultural, social, or educational transition programs to assist students to transition into college life and academics in order to increase such students' retention rates in the fields of science, technology, engineering, or mathematics, with a focus on Alaska Native or Native Hawaiian students.

[(2) Development or implementation of academic support or supplemental educational programs to increase the graduation rates of students in the fields of science, technology, engineering, or mathematics, with a focus on Alaska Native and Native Hawaiian students.

[(3) Development or implementation of internship programs, carried out in coordination with educational institutions and private entities, to prepare students for careers in the fields of science, technology, engineering, or mathematics, with a focus on programs that serve Alaska Native or Native Hawaiian students.

[(4) Such other activities as are consistent with the purpose of this section.

[(e) APPLICATION.—Each eligible partnership that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

[(f) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to an eligible partnership that, on the day before the date of enactment of the Higher Education Opportunity Act, provides one or more programs in which 30 percent or more of the program participants are Alaska Native or Native Hawaiian.

[(g) PERIOD OF GRANT.—A grant under this section shall be awarded for a period of five years.

[(h) EVALUATION AND REPORT.—Each eligible partnership that receives a grant under this section shall conduct an evaluation to determine the effectiveness of the programs funded under the grant and shall provide a report regarding the evaluation to the Secretary not later than six months after the end of the grant period.

[(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART K—PILOT PROGRAMS TO INCREASE COLLEGE PERSISTENCE AND SUCCESS

[SEC. 820. PILOT PROGRAMS TO INCREASE COLLEGE PERSISTENCE AND SUCCESS.

[(a) GRANTS AUTHORIZED.—From the amounts appropriated under subsection (i), the Secretary is authorized to award grants in accordance with this section, on a competitive basis, to eligible in-

stitutions to enable the institutions to develop programs to increase the persistence and success of low-income college students.

[(b) APPLICATIONS.—

[(1) IN GENERAL.—An eligible institution seeking a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. An eligible institution may submit an application to receive a grant under subsection (c) or (d) or both.

[(2) EVALUATION CONDITION.—Each eligible institution seeking a grant under this section shall agree to participate in the evaluation described in subsection (f).

[(3) PRIORITY FOR REPLICATION OF EVIDENCE-BASED POLICIES AND PRACTICES.—In awarding grants for the program under subsection (d), the Secretary shall give priority to applications submitted by eligible institutions that propose to replicate policies and practices that have proven effective in increasing persistence and degree completion by low-income students or students in need of developmental education.

[(c) PILOT PROGRAM TO INCREASE PERSISTENCE AND SUCCESS IN COMMUNITY COLLEGES.—

[(1) DEFINITIONS.—In this subsection:

[(A) ELIGIBLE INSTITUTION.—The term “eligible institution” means an institution of higher education, as defined in section 101, that provides a one- or two-year program of study leading to a degree or certificate.

[(B) ELIGIBLE STUDENT.—The term “eligible student” means a student who—

[(i) is eligible to receive assistance under section 401;

[(ii) is enrolled at least half-time;

[(iii) is not younger than age 19;

[(iv) is the parent of at least one dependent child, which dependent child is age 18 or younger;

[(v) has a secondary school diploma or its recognized equivalent; and

[(vi) does not have a degree or certificate from an institution of higher education.

[(2) USES OF FUNDS.—

[(A) SUPPORT.—The Secretary shall award grants under this subsection to eligible institutions to enable such institutions to provide additional monetary and nonmonetary support to eligible students to enable the eligible students to maintain enrollment and complete degree or certificate programs.

[(B) REQUIRED USES.—Each eligible institution receiving a grant under this subsection shall use the grant funds—

[(i) to provide scholarships in accordance with paragraph (3); and

[(ii) to provide counseling services in accordance with paragraph (4).

[(C) ALLOWABLE USES OF FUNDS.—Grant funds provided under this subsection may be used—

[(i) to conduct outreach to make students aware of the scholarships and counseling services available

under this subsection and to encourage the students to participate in the program assisted under this subsection; and

[(ii) to provide incentives of \$20 or less to applicants who complete the process of applying for assistance under this subsection, as compensation for the student's time.

[(3) SCHOLARSHIP REQUIREMENTS.—

[(A) IN GENERAL.—Each scholarship awarded under this subsection shall—

[(i) be awarded for one academic year consisting of two semesters or the equivalent;

[(ii) require the student to maintain, during the scholarship period, at least half-time enrollment and at least a 2.0 grade point average or the equivalent;

[(iii) be awarded in the amount of \$1,000 for each of two semesters (prorated for quarters or other equivalents), or \$2,000 for an academic year;

[(iv) not exceed the student's cost of attendance, as defined in section 472; and

[(v) be paid, for each of the two semesters, in increments of—

[(I) \$250 upon enrollment (prorated for quarters or other equivalents);

[(II) \$250 upon passing midterm examinations or comparable assessments (prorated for quarters or other equivalents); and

[(III) \$500 upon passing courses (prorated for quarters or other equivalents).

[(B) NUMBER.—An eligible institution may award an eligible student not more than two scholarships under this subsection.

[(4) COUNSELING SERVICES.—

[(A) IN GENERAL.—Each eligible institution receiving a grant under this subsection shall use the grant funds to provide students at the institution with a counseling staff dedicated to students participating in the program under this subsection. Each such counselor shall—

[(i) have a caseload of less than 125 students;

[(ii) use a proactive, team-oriented approach to counseling;

[(iii) hold a minimum of two meetings with each student each semester; and

[(iv) provide referrals to and follow-up with other student services staff, including financial aid and career services.

[(B) COUNSELING SERVICES AVAILABILITY.—The counseling services provided under this subsection shall be available to participating students during the daytime and evening hours.

[(d) STUDENT SUCCESS GRANT PILOT PROGRAM.—

[(1) DEFINITIONS.—

[(A) ELIGIBLE INSTITUTION.—In this subsection, the term "eligible institution" means an institution of higher education in which, during the three-year period preceding the

year in which the institution is applying for a grant under this subsection, an average of not less than 50 percent of the institution's entering first-year students are assessed as needing developmental courses to bring reading, writing, or mathematics skills up to college level.

[(B) ELIGIBLE STUDENT.—In this subsection, the term “eligible student” means a student who—

[(i) is eligible to receive assistance under section 401;

[(ii) is a first-year student at the time of entering the program;

[(iii) is assessed as needing developmental education to bring reading, writing, or mathematics skills up to college level; and

[(iv) is selected by an eligible institution to participate in the program.

[(2) STUDENT SUCCESS GRANT AMOUNT.—The Secretary shall award grants under this subsection to eligible institutions in an amount equal to \$1,500 multiplied by the number of students the institution selects to participate in the program in such year. An institution shall not select more than 200 students to participate in the program under this subsection during such year.

[(3) REQUIRED USES.—An eligible institution that receives a grant under this subsection shall use the grant funds to assign a student success coach to each first-year student participating in the program to provide intensive career and academic advising, ongoing personal help in navigating college services (such as financial aid and registration), and assistance in connecting to community resources that can help students overcome family and personal challenges to success. Student success coaches—

[(A) shall work with not more than 50 new students during any academic period;

[(B) may be employees of academic departments, student services offices, community-based organizations, or other entities as determined appropriate by the institution; and

[(C) shall meet with each eligible student selected for the program before registration for courses.

[(4) ALLOWABLE USES.—An eligible institution that receives a grant under this subsection may use the grant funds to provide services and program innovations for students participating in the program, including the following:

[(A) College and career success courses provided at no charge to participating students. These courses may cover college success topics, including how to take notes, how to study, how to take tests, and how to budget time, and may also include a substantial career exploration component. Institutions may use such courses to help students develop a college and career success plan, so that by the end of the first semester the students have a clear sense of their career goals and what classes to take to achieve such goals.

[(B) Work-study jobs with private employers in the students' fields of study.

[(C) Learning communities that ensure that students participating in the program are clustered together for at least two courses beginning in the first semester after enrolling and have other opportunities to create and maintain bonds that allow them to provide academic and social support to each other.

[(D) Curricular redesign, which may include such innovations as blended or accelerated remediation classes that help student success grant recipients to attain college-level reading, writing, or math skills (or a combination thereof) more rapidly than traditional remediation formats allow, and intensive skills refresher classes, offered prior to each semester, to help students who have tested into remedial coursework to reach entry level assessment scores for the postsecondary programs they wish to enter.

[(E) Instructional support, such as learning labs, supplemental instruction, and tutoring.

[(F) Assistance with support services, such as child care and transportation.

[(5) REQUIRED NON-FEDERAL SHARE.—Each institution participating in the program under this subsection shall provide a non-Federal share of 25 percent of the amount of the grant to carry out the activities of the program. The non-Federal share under this subsection may be provided in cash or in kind.

[(e) PERIOD OF GRANT.—The Secretary may award a grant under subsection (c) or (d) of this section for a period of five years.

[(f) TECHNICAL ASSISTANCE AND EVALUATION.—

[(1) CONTRACTOR.—From the funds appropriated under this section, the Secretary shall enter into a contract with one or more private, nonprofit entities to provide technical assistance to grantees and to conduct the evaluations required under paragraph (3).

[(2) EVALUATIONS.—The evaluations required under paragraph (3) shall be conducted by entities that are capable of designing and carrying out independent evaluations that identify the impact of the activities carried out by eligible institutions under this section on improving persistence and success of student participants under this section.

[(3) CONDUCT OF EVALUATIONS.—The Secretary shall conduct an evaluation of the impact of the persistence and success grant programs as follows:

[(A) PROGRAM TO INCREASE PERSISTENCE IN COMMUNITY COLLEGES.—The evaluation of the program under subsection (c) shall be conducted using a random assignment research design with the following requirements:

[(i) When students are recruited for the program, all students will be told about the program and the evaluation.

[(ii) Baseline data will be collected from all applicants for assistance under subsection (c).

[(iii) Students will be assigned randomly to two groups, which will consist of—

[(I) a program group that will receive the scholarship and the additional counseling services; and

[(II) a control group that will receive whatever regular financial aid and counseling services are available to all students at the institution of higher education.

[(B) STUDENT SUCCESS GRANT PROGRAM.—Eligible institutions receiving a grant to carry out the program under subsection (d) shall work with the evaluator to track persistence and completion outcomes for students in such program, specifically the proportion of these students who take and complete developmental education courses, the proportion who take and complete college-level coursework, and the proportion who complete certificates and degrees. The data shall be broken down by gender, race, ethnicity, and age and the evaluator shall assist institutions in analyzing these data to compare program participants to comparable nonparticipants, using statistical techniques to control for differences in the groups.

[(g) REPORT.—The Secretary shall—

[(1) provide a report to the authorizing committees that includes the evaluation and information on best practices and lessons learned during the pilot programs described in this section; and

[(2) disseminate the report to the public by making the report available on the Department's website.

[(h) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement and not supplant other Federal, State, and local funds available to the institution to carrying out the activities described in subsections (c) and (d).

[(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years. The Secretary may use not more than two percent of the amounts appropriated to provide the technical assistance and conduct the evaluations required under subsection (f).

[PART L—STUDENT SAFETY AND CAMPUS EMERGENCY MANAGEMENT

[SEC. 821. STUDENT SAFETY AND CAMPUS EMERGENCY MANAGEMENT.

[(a) GRANTS AUTHORIZED.—

[(1) IN GENERAL.—From the amounts appropriated under subsection (f), the Secretary is authorized to award grants, on a competitive basis, to institutions of higher education or consortia of institutions of higher education to enable institutions of higher education or consortia to pay the Federal share of the cost of carrying out the authorized activities described in subsection (c).

[(2) CONSULTATION WITH THE ATTORNEY GENERAL AND THE SECRETARY OF HOMELAND SECURITY.—Where appropriate, the Secretary shall award grants under this section in consultation with the Attorney General and the Secretary of Homeland Security.

[(3) DURATION.—The Secretary shall award each grant under this section for a period of two years.

[(4) LIMITATION ON INSTITUTIONS AND CONSORTIA.—An institution of higher education or consortium shall be eligible for only one grant under this section.

[(b) FEDERAL SHARE; NON-FEDERAL SHARE.—

[(1) IN GENERAL.—The Federal share of the activities described in subsection (c) shall be 50 percent.

[(2) NON-FEDERAL SHARE.—An institution of higher education or consortium that receives a grant under this section shall provide the non-Federal share, which may be provided from State and local resources dedicated to emergency preparedness and response.

[(c) AUTHORIZED ACTIVITIES.—Each institution of higher education or consortium receiving a grant under this section may use the grant funds to carry out one or more of the following:

[(1) Developing and implementing a state-of-the-art emergency communications system for each campus of an institution of higher education or consortium, in order to contact students via cellular, text message, or other state-of-the-art communications methods when a significant emergency or dangerous situation occurs. An institution or consortium using grant funds to carry out this paragraph shall also, in coordination with the appropriate State and local emergency management authorities—

[(A) develop procedures that students, employees, and others on a campus of an institution of higher education or consortium will be directed to follow in the event of a significant emergency or dangerous situation; and

[(B) develop procedures the institution of higher education or consortium shall follow to inform, in a reasonable and timely manner, students, employees, and others on a campus in the event of a significant emergency or dangerous situation, which procedures shall include the emergency communications system described in this paragraph.

[(2) Supporting measures to improve safety at the institution of higher education or consortium, such as—

[(A) security assessments;

[(B) security training of personnel and students at the institution of higher education or consortium;

[(C) where appropriate, coordination of campus preparedness and response efforts with local law enforcement, local emergency management authorities, and other agencies, to improve coordinated responses in emergencies among such entities;

[(D) establishing a hotline that allows a student or staff member at an institution or consortium to report another student or staff member at the institution or consortium who the reporting student or staff member believes may be a danger to the reported student or staff member or to others; and

[(E) acquisition and installation of access control, video surveillance, intrusion detection, and perimeter security technologies and systems.

[(3) Coordinating with appropriate local entities for the provision of mental health services for students and staff of the institution of higher education or consortium, including mental

health crisis response and intervention services for students and staff affected by a campus or community emergency.

[(d) APPLICATION.—Each institution of higher education or consortium desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

[(e) TECHNICAL ASSISTANCE.—The Secretary shall coordinate technical assistance provided by State and local emergency management agencies, the Department of Homeland Security, and other agencies as appropriate, to institutions of higher education or consortia that request assistance in developing and implementing the activities assisted under this section.

[(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[SEC. 822. MODEL EMERGENCY RESPONSE POLICIES, PROCEDURES, AND PRACTICES.

[The Secretary, in consultation with the Attorney General and the Secretary of Homeland Security, shall continue to—

[(1) advise institutions of higher education on model emergency response policies, procedures, and practices; and

[(2) disseminate information concerning those policies, procedures, and practices.

[SEC. 823. PREPARATION FOR FUTURE DISASTERS PLAN BY THE SECRETARY.

[The Secretary shall continue to coordinate with the Secretary of Homeland Security and other appropriate agencies to develop and maintain procedures to address the preparedness, response, and recovery needs of institutions of higher education in the event of a natural or manmade disaster with respect to which the President has declared a major disaster or emergency (as such terms are defined in section 824).

[SEC. 824. EDUCATION DISASTER AND EMERGENCY RELIEF LOAN PROGRAM.

[(a) PROGRAM AUTHORIZED.—The Secretary, in consultation with the Secretary of Homeland Security, is authorized to establish an Education Disaster and Emergency Relief Loan Program for institutions of higher education impacted by a major disaster or emergency declared by the President.

[(b) USE OF ASSISTANCE.—The Secretary shall, subject to the availability of appropriations, provide loans under this section to institutions of higher education after the declaration of a major disaster or emergency by the President. Loan funds provided under this section may be used for construction, replacement, renovation, and operations costs resulting from a major disaster or emergency declared by the President.

[(c) APPLICATION REQUIREMENTS.—To be considered for a loan under this section, an institution of higher education shall—

[(1) submit a financial statement and other appropriate data, documentation, or evidence requested by the Secretary that indicates that the institution incurred losses resulting from the impact of a major disaster or emergency declared by the President, and the monetary amount of such losses;

[(2) demonstrate that the institution had appropriate insurance policies prior to the major disaster or emergency and filed claims, as appropriate, related to the major disaster or emergency; and

[(3) demonstrate that the institution attempted to minimize the cost of any losses by pursuing collateral source compensation from the Federal Emergency Management Agency prior to seeking a loan under this section, except that an institution of higher education shall not be required to receive collateral source compensation from the Federal Emergency Management Agency prior to being eligible for a loan under this section.

[(d) AUDIT.—The Secretary may audit a financial statement submitted under subsection (c) and an institution of higher education shall provide any information that the Secretary determines necessary to conduct such an audit.

[(e) REDUCTION IN LOAN AMOUNTS.—To determine the amount of a loan to make available to an institution of higher education under this section, the Secretary shall calculate the monetary amount of losses incurred by such institution as a result of a major disaster or emergency declared by the President, and shall reduce such amount by the amount of collateral source compensation the institution has already received from insurance, the Federal Emergency Management Agency, and the Small Business Administration.

[(f) ESTABLISHMENT OF LOAN PROGRAM.—Prior to disbursing any loans under this section, the Secretary shall prescribe regulations that establish the Education Disaster and Emergency Relief Loan Program, including—

[(1) terms for the loan program;

[(2) procedures for an application for a loan;

[(3) minimum requirements for the loan program and for receiving a loan, including—

[(A) online forms to be used in submitting a request for a loan;

[(B) information to be included in such forms; and

[(C) procedures to assist in filing and pursuing a loan;

and

[(4) any other terms and conditions the Secretary may prescribe after taking into consideration the structure of other existing capital financing loan programs under this Act.

[(g) DEFINITIONS.—In this section:

[(1) INSTITUTION AFFECTED BY A GULF HURRICANE DISASTER.—The term “institution affected by a Gulf hurricane disaster” means an institution of higher education that—

[(A) is located in an area affected by a Gulf hurricane disaster; and

[(B) is able to demonstrate that the institution—

[(i) incurred physical damage resulting from the impact of a Gulf hurricane disaster; and

[(ii) was not able to fully reopen in existing facilities or to fully reopen to the pre-hurricane levels for 30 days or more on or after August 29, 2005.

[(2) AREA AFFECTED BY A GULF HURRICANE DISASTER; GULF HURRICANE DISASTER.—The terms “area affected by a Gulf hurricane disaster” and “Gulf hurricane disaster” have the mean-

ings given such terms in section 209 of the Higher Education Hurricane Relief Act of 2005 (Public Law 109–148, 119 Stat. 2808).

[(3) EMERGENCY.—The term “emergency” has the meaning given such term in section 102(1) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(1)).

[(4) INSTITUTIONS OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given such term in section 101.

[(5) MAJOR DISASTER.—The term “major disaster” has the meaning given the term in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)).

[(h) EFFECTIVE DATE.—Loans provided to institutions of higher education pursuant to this section shall be available only with respect to major disasters or emergencies declared by the President that occur after the date of the enactment of the Higher Education Opportunity Act, except that loans may be provided pursuant to this section to an institution affected by a Gulf hurricane disaster with respect to such disaster.

[(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[SEC. 825. GUIDANCE ON MENTAL HEALTH DISCLOSURES FOR STUDENT SAFETY.

[(a) GUIDANCE.—The Secretary shall continue to provide guidance that clarifies the role of institutions of higher education with respect to the disclosure of education records, including to a parent or legal guardian of a dependent student, in the event that such student demonstrates that the student poses a significant risk of harm to himself or herself or to others, including a significant risk of suicide, homicide, or assault. Such guidance shall further clarify that an institution of higher education that, in good faith, discloses education records or other information in accordance with the requirements of this Act and section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”) shall not be liable to any person for that disclosure.

[(b) INFORMATION TO CONGRESS.—The Secretary shall provide an update to the authorizing committees on the Secretary’s activities under subsection (a) not later than 180 days after the date of enactment of the Higher Education Opportunity Act.

[SEC. 826. RULE OF CONSTRUCTION.

[(Nothing in this part shall be construed—

[(1) to provide a private right of action to any person to enforce any provision of this section;

[(2) to create a cause of action against any institution of higher education or any employee of the institution for any civil liability; or

[(3) to affect section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”) or the regulations issued under section

264 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d–2note).

[PART M—LOW TUITION

[SEC. 830. INCENTIVES AND REWARDS FOR LOW TUITION.

[(a) REWARDS FOR LOW TUITION.—

[(1) GRANTS.—From funds made available under subsection (e), the Secretary shall award grants to institutions of higher education that, for academic year 2009–2010 or any succeeding academic year—

[(A) have an annual tuition and fee increase, expressed as a percentage change, for the most recent academic year for which satisfactory data is available, that is in the lowest 20 percent of such increases for each category described in subsection (b);

[(B) are public institutions of higher education that have tuition and fees that are in the lowest quartile of institutions in each category described in subsection (b)(1), (b)(4), or (b)(7); or

[(C) are public institutions of higher education that have a tuition and fee increase of less than \$600 for a first-time, full-time undergraduate student.

[(2) USE OF FUNDS.—Funds awarded to an institution of higher education under paragraph (1) shall be distributed by the institution in the form of need-based grant aid to students who are eligible for Federal Pell Grants, except that no student shall receive an amount under this section that would cause the amount of total financial aid received by such student to exceed the cost of attendance of the institution.

[(b) CATEGORIES OF INSTITUTIONS.—The categories of institutions described in subsection (a) shall be the following:

[(1) four-year public institutions of higher education;

[(2) four-year private, nonprofit institutions of higher education;

[(3) four-year private, for-profit institutions of higher education;

[(4) two-year public institutions of higher education;

[(5) two-year private, nonprofit institutions of higher education;

[(6) two-year private, for-profit institutions of higher education;

[(7) less than two-year public institutions of higher education;

[(8) less than two-year private, nonprofit institutions of higher education; and

[(9) less than two-year private, for-profit institutions of higher education.

[(c) REWARDS FOR GUARANTEED TUITION.—

[(1) BONUS.—For each institution of higher education that the Secretary determines complies with the requirements of paragraph (2) or (3) of this subsection, the Secretary shall provide to such institution a bonus amount. Such institution shall award the bonus amount in the form of need-based aid first to students who are eligible for Federal Pell Grants who were in

attendance at the institution during the award year that such institution satisfied the eligibility criteria for maintaining low tuition and fees, then to students who are eligible for Federal Pell Grants who were not in attendance at the institution during such award year.

[(2) FOUR-YEAR INSTITUTIONS.—An institution of higher education that provides a program of instruction for which it awards a bachelor’s degree complies with the requirements of this paragraph if—

[(A) for a public institution of higher education, such institution’s tuition and fees are in the lowest quartile of institutions in the same category as described under subsection (b); or

[(B) for any institution of higher education, such institution guarantees that for any academic year (or the equivalent) beginning on or after July 1, 2009, and for each of the four succeeding continuous academic years, the tuition and fees charged to an undergraduate student will not exceed—

[(i) for a public institution of higher education, \$600 per year for a full-time undergraduate student; or

[(ii) for any other institution of higher education—

[(I) the amount that the student was charged for an academic year at the time the student first enrolled in the institution of higher education, plus

[(II) the percentage change in tuition and fees at the institution for the three most recent academic years for which data is available, multiplied by the amount determined under subclause (I).

[(3) LESS-THAN FOUR-YEAR INSTITUTIONS.—An institution of higher education that does not provide a program of instruction for which it awards a bachelor’s degree complies with the requirements of this paragraph if—

[(A) for a public institution of higher education, such institution’s tuition is in the lowest quartile of institutions in the same category as described under subsection (b); or

[(B) for any institution of higher education, such institution guarantees that for any academic year (or the equivalent) beginning on or after July 1, 2009, and for each of the 1.5 succeeding continuous academic years, the tuition and fees charged to an undergraduate student will not exceed—

[(i) for a public institution of higher education, \$600 per year for a full-time undergraduate student; or

[(ii) for any other institution of higher education—

[(I) the amount that the student was charged for an academic year at the time the student first enrolled in the institution of higher education, plus

[(II) the percentage change in tuition and fees at the institution for the three most recent academic years for which data is available, multiplied by the amount determined under subclause (I).

[(d) DEFINITIONS.—In this section, the terms “tuition and fees” and “net price” have the meaning given to such terms in section 132 of this Act.

[(e) AUTHORIZATION.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART N—COOPERATIVE EDUCATION

[SEC. 831. STATEMENT OF PURPOSE; DEFINITION.

[(a) PURPOSE.—It is the purpose of this part to award grants to institutions of higher education or consortia of such institutions to encourage such institutions to develop and make available to their students work experience that will aid such students in future careers and will enable such students to support themselves financially while in school.

[(b) DEFINITION.—In this part the term “cooperative education” means the provision of alternating or parallel periods of academic study and public or private employment to give students work experiences related to their academic or occupational objectives and an opportunity to earn the funds necessary for continuing and completing their education.

[SEC. 832. RESERVATIONS.

[(a) RESERVATIONS.—Of the amount appropriated to carry out this part in each fiscal year—

[(1) not less than 50 percent shall be available for awarding grants to institutions of higher education and consortia of such institutions described in section 833(a)(1)(A) for cooperative education under section 833;

[(2) not less than 25 percent shall be available for awarding grants to institutions of higher education described in section 833(a)(1)(B) for cooperative education under section 833;

[(3) not to exceed 11 percent shall be available for demonstration projects under paragraph (1) of section 834(a);

[(4) not to exceed 11 percent shall be available for training and resource centers under paragraph (2) of section 834(a); and

[(5) not to exceed 3 percent shall be available for research under paragraph (3) of section 834(a).

[(b) AVAILABILITY OF APPROPRIATIONS.—Amounts appropriated under this part shall not be used for the payment of compensation of students for employment by employers participating in a program under this part.

[SEC. 833. GRANTS FOR COOPERATIVE EDUCATION.

[(a) GRANTS AUTHORIZED.—

[(1) IN GENERAL.—The Secretary is authorized, from the amount available to carry out this section under section 835 in each fiscal year and in accordance with the provisions of this part—

[(A) to award grants to institutions of higher education or consortia of such institutions that have not received a grant under this paragraph in the ten-year period preceding the date for which a grant under this section is requested to pay the Federal share of the cost of planning, establishing, expanding, or carrying out programs of coop-

erative education by such institutions or consortia of institutions; and

[(B) to award grants to institutions of higher education that are operating an existing cooperative education program as determined by the Secretary to pay the Federal share of the cost of planning, establishing, expanding, or carrying out programs of cooperative education by such institutions.

[(2) PROGRAM REQUIREMENT.—Cooperative education programs assisted under this section shall provide alternating or parallel periods of academic study and of public or private employment, giving students work experience related to their academic or occupational objectives and the opportunity to earn the funds necessary for continuing and completing their education.

[(3) AMOUNT OF GRANTS.—

[(A) The amount of each grant awarded pursuant to paragraph (1)(A) to any institution of higher education or consortia of such institutions in any fiscal year shall not exceed \$500,000.

[(B)(i) Except as provided in clauses (ii) and (iii), the Secretary shall award grants in each fiscal year to each institution of higher education described in paragraph (1)(B) that has an application approved under subsection (b) in an amount that bears the same ratio to the amount reserved pursuant to section 832(a)(2) for such fiscal year as the number of unduplicated students placed in cooperative education jobs during the preceding fiscal year by such institution of higher education (other than cooperative education jobs under section 834 and as determined by the Secretary) bears to the total number of all such students placed in such jobs during the preceding fiscal year by all such institutions.

[(ii) No institution of higher education shall receive a grant pursuant to paragraph (1)(B) in any fiscal year in an amount that exceeds 25 percent of such institution's cooperative education program's personnel and operating budget for the preceding fiscal year.

[(iii) The minimum annual grant amount that an institution of higher education is eligible to receive under paragraph (1)(B) is \$1,000 and the maximum annual grant amount is \$75,000.

[(4) LIMITATION.—The Secretary shall not award grants pursuant to subparagraphs (A) and (B) of paragraph (1) to the same institution of higher education or consortia of such institution in any one fiscal year.

[(5) USES.—Grants awarded under paragraph (1)(B) shall be used exclusively—

[(A) to expand the quality of and participation in a cooperative education program;

[(B) for outreach to potential participants in new curricular areas; and

[(C) for outreach to potential participants including underrepresented and nontraditional populations.

[(b) APPLICATIONS.—Each institution of higher education or consortium of such institutions desiring to receive a grant under this

section shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe. Each such application shall—

【(1) set forth the program or activities for which a grant is authorized under this section;

【(2) specify each portion of such program or activities which will be performed by a nonprofit organization or institution other than the applicant, and the amount of grant funds to be used for such program or activities;

【(3) provide that the applicant will expend, during the fiscal year for which the grant is awarded for the purpose of such program or activities, not less than the amount expended for such purpose during the previous fiscal year;

【(4) describe the plans which the applicant will carry out to assure, and contain a formal statement of the institution's commitment that assures, that the applicant will continue the cooperative education program beyond the five-year period of Federal assistance described in subsection (c)(1) at a level that is not less than the total amount expended for such program during the first year such program was assisted under this section;

【(5) provide that, in the case of an institution of higher education that provides a two-year program that is acceptable for full credit toward a bachelor's degree, the cooperative education program will be available to students who are certificate or associate degree candidates and who carry at least one-half of the normal full-time academic workload;

【(6) provide that the applicant will—

【(A) make such reports as may be necessary to ensure that the applicant is complying with the provisions of this section, including reports for the second and each succeeding fiscal year for which the applicant receives a grant with respect to the impact of the cooperative education program in the previous fiscal year, including—

【(i) the number of unduplicated student applicants in the cooperative education program;

【(ii) the number of unduplicated students placed in cooperative education jobs;

【(iii) the number of employers who have hired cooperative education students;

【(iv) the income for students derived from working in cooperative education jobs; and

【(v) the increase or decrease in the number of unduplicated students placed in cooperative education jobs in each fiscal year compared to the previous fiscal year; and

【(B) keep such records as may be necessary to ensure that the applicant is complying with the provisions of this part, including the notation of cooperative education employment on the student's transcript;

【(7) describe the extent to which programs in the academic disciplines for which the application is made have satisfactorily met the needs of public and private sector employers;

[(8) describe the extent to which the institution is committed to extending cooperative education on an institution-wide basis for all students who can benefit;

[(9) describe the plans that the applicant will carry out to evaluate the applicant's cooperative education program at the end of the grant period;

[(10) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of, and accounting for, Federal funds paid to the applicant under this part;

[(11) demonstrate a commitment to serving underserved populations at the institution; and

[(12) include such other information as may be necessary to carry out the provisions of this part.

[(c) DURATION OF GRANTS; FEDERAL SHARE.—

[(1) DURATION OF GRANTS.—No individual institution of higher education may receive, individually or as a participant in a consortium of such institutions—

[(A) a grant pursuant to subsection (a)(1)(A) for more than five fiscal years; or

[(B) a grant pursuant to subsection (a)(1)(B) for more than five fiscal years.

[(2) FEDERAL SHARE.—The Federal share of a grant under subsection (a)(1)(A) may not exceed—

[(A) 85 percent of the cost of carrying out the program or activities described in the application in the first year the applicant receives a grant under this section;

[(B) 70 percent of such cost in the second such year;

[(C) 55 percent of such cost in the third such year;

[(D) 40 percent of such cost in the fourth such year; and

[(E) 25 percent of such cost in the fifth such year.

[(3) SPECIAL RULE.—Notwithstanding any other provision of law, the Secretary may not waive the provisions of paragraphs (1) and (2).

[(d) MAINTENANCE OF EFFORT.—If the Secretary determines that a recipient of funds under this section has failed to maintain the fiscal effort described in subsection (b)(3), then the Secretary may elect not to make grant payments under this section to such recipient.

[(e) FACTORS FOR SPECIAL CONSIDERATION OF APPLICATIONS.—

[(1) IN GENERAL.—In approving applications under this section, the Secretary shall give special consideration to applications from institutions of higher education or consortia of such institutions for programs that show the greatest promise of success based on—

[(A) the extent to which programs in the academic discipline with respect to which the application is made have satisfactorily met the needs of public and private sector employers;

[(B) the strength of the commitment of the institution of higher education or consortium of such institutions to cooperative education as demonstrated by the plans and formalized institutional commitment statement which such institution or consortium has made to continue the program after the termination of Federal financial assistance;

[(C) the extent to which the institution or consortium of institutions is committed to extending cooperative education for students who can benefit; and

[(D) such other factors as are consistent with the purpose of this part.

[(2) ADDITIONAL SPECIAL CONSIDERATION.—The Secretary shall also give special consideration to applications from institutions of higher education or consortia of such institutions that demonstrate a commitment to serving underserved populations attending such institutions.

[SEC. 834. DEMONSTRATION AND INNOVATION PROJECTS; TRAINING AND RESOURCE CENTERS; AND RESEARCH.

[(a) AUTHORIZATION.—From the amounts appropriated under section 835, the Secretary is authorized, in accordance with the provisions of this section, to make grants and enter into contracts—

[(1) from the amounts available in each fiscal year under section 832(a)(3), for the conduct of demonstration projects designed to demonstrate or determine the effectiveness of innovative methods of cooperative education;

[(2) from the amounts available in each fiscal year under section 832(a)(4), for the conduct of training and resource centers designed to—

[(A) train personnel in the field of cooperative education;

[(B) improve materials used in cooperative education programs if such improvement is conducted in conjunction with other activities described in this paragraph;

[(C) provide technical assistance to institutions of higher education to increase the potential of the institution to continue to conduct a cooperative education program without Federal assistance;

[(D) encourage model cooperative education programs that furnish education and training in occupations in which there is a national need;

[(E) support partnerships under which an institution carrying out a comprehensive cooperative education program joins with one or more institutions of higher education in order to—

[(i) assist the institution that is not the institution carrying out the cooperative education program to develop and expand an existing program of cooperative education; or

[(ii) establish and improve or expand comprehensive cooperative education programs; and

[(F) encourage model cooperative education programs in the fields of science and mathematics for women and minorities who are underrepresented in such fields; and

[(3) from the amounts available in each fiscal year under section 832(a)(5), for the conduct of research relating to cooperative education.

[(b) ADMINISTRATIVE PROVISION.—

[(1) IN GENERAL.—To carry out this section, the Secretary may—

[(A) make grants to or contracts with institutions of higher education or consortia of such institutions; and

[(B) make grants to or contracts with other public or private nonprofit agencies or organizations, whenever such grants or contracts will contribute to the objectives of this section.

[(2) LIMITATION.—

[(A) CONTRACTS WITH INSTITUTIONS OF HIGHER EDUCATION.—The Secretary may use not more than three percent of the amount appropriated to carry out this section in each fiscal year to enter into contracts described in paragraph (1)(A).

[(B) CONTRACTS WITH OTHER AGENCIES OR ORGANIZATIONS.—The Secretary may use not more than three percent of the amount appropriated to carry out this section in each fiscal year to enter into contracts described in paragraph (1)(B).

[(c) SUPPLEMENT NOT SUPPLANT.—A recipient of a grant or contract under this section may use the funds provided only to supplement funds made available from non-Federal sources to carry out the activities supported by such grant or contract, and in no case to supplant such funds from non-Federal sources.

[SEC. 835. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART O—COLLEGE PARTNERSHIP GRANTS

[SEC. 841. COLLEGE PARTNERSHIP GRANTS AUTHORIZED.

[(a) GRANTS AUTHORIZED.—From the amount appropriated to carry out this section, the Secretary shall award grants to eligible partnerships for the purposes of developing and implementing articulation agreements.

[(b) ELIGIBLE PARTNERSHIPS.—For purposes of this part, an eligible partnership shall include at least two institutions of higher education, or a system of institutions of higher education, and may include either or both of the following:

[(1) A consortia of institutions of higher education.

[(2) A State higher education agency.

[(c) PRIORITY.—The Secretary shall give priority to eligible partnerships that—

[(1) are located in a State that has employed strategies described in section 486A(b)(1); or

[(2) include—

[(A) one or more junior or community colleges (as defined by section 312(f)) that award associate's degrees; and

[(B) one or more institutions of higher education that offer a baccalaureate or post-baccalaureate degree not awarded by the institutions described in subparagraph (A) with which it is partnered.

[(d) MANDATORY USE OF FUNDS.—Grants awarded under this part shall be used for—

[(1) the development of policies and programs to expand opportunities for students to earn bachelor's degrees, by facilitating the transfer of academic credits between institutions

and expanding articulation and guaranteed transfer agreements between institutions of higher education, including through common course numbering and general education core curriculum;

[(2) academic program enhancements; and

[(3) programs to identify and remove barriers that inhibit student transfers, including technological and informational programs.

[(e) OPTIONAL USE OF FUNDS.—Grants awarded under this part may be used for—

[(1) support services to students participating in the program, such as tutoring, mentoring, and academic and personal counseling; and

[(2) any service that facilitates the transition of students between the partner institutions.

[(f) PROHIBITION.—No funds provided under this section shall be used to financially compensate an institution for the purposes of entering into an articulation agreement or for accepting students transferring into such institution.

[(g) APPLICATIONS.—Any eligible partnership that desires to obtain a grant under this section shall submit to the Secretary an application at such time, in such manner, and containing such information or assurances as the Secretary may require.

[(h) DEFINITION.—For purposes of this section, the term “articulation agreement” means an agreement between institutions of higher education that specifies the acceptability of courses in transfer toward meeting specific degree requirements.

[(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART P—JOBS TO CAREERS

[SEC. 851. GRANTS TO CREATE BRIDGES FROM JOBS TO CAREERS.

[(a) PURPOSE.—The purpose of this section is to provide grants on a competitive basis to institutions of higher education for the purpose of improving developmental education to help students move more rapidly into for-credit occupational courses and into better jobs that may require a certificate or degree.

[(b) AUTHORIZATION OF PROGRAM.—From amounts appropriated to carry out this section, the Secretary shall award grants, on a competitive basis, to institutions of higher education, as defined in section 101(a), to create workforce bridge programs between developmental courses and for-credit courses in occupational certificate programs that are articulated to degree programs. Such workforce bridge programs shall focus on—

[(1) improving developmental education, including English language instruction, by customizing developmental education to student career goals; and

[(2) helping students move rapidly from developmental coursework into for-credit occupational courses and through program completion.

[(c) APPLICATION.—An institution of higher education desiring a grant under this section shall submit an application to the Sec-

retary at such time, in such manner, and containing such information as the Secretary may reasonably require.

[(d) PRIORITIES.—The Secretary shall give priority to applications that—

[(1) are from institutions of higher education in which not less than 50 percent of the institution's entering first-year students who are subject to mandatory assessment are assessed as needing developmental courses to bring reading, writing, or mathematics skills up to college level; and

[(2) propose to replicate practices that have proven effective with adults, or propose to collaborate with adult education providers.

[(e) REQUIRED ACTIVITY.—An institution of higher education that receives a grant under this section shall use the grant funds to create workforce bridge programs to customize developmental education curricula, including English language instruction, to reflect the content of for-credit occupational certificate or degree programs, or clusters of such programs, in which developmental education students are enrolled or plan to enroll. Such workforce bridge programs shall integrate the curricula and the instruction of the developmental and college-level coursework.

[(f) PERMISSIBLE ACTIVITIES.—An institution of higher education that receives a grant under this section may use the grant funds to carry out one or more of the following activities:

[(1) Designing and implementing innovative ways to improve retention in and completion of developmental education courses, including enrolling students in cohorts, accelerating course content, dually enrolling students in developmental and college-level courses, tutoring, providing counseling and other supportive services, and giving small, material incentives for attendance and performance.

[(2) In consultation with faculty in the appropriate departments, reconfiguring courses offered on-site during standard academic terms for modular, compressed, or other alternative schedules, or for distance-learning formats, to meet the needs of working adults.

[(3) Developing counseling strategies that address the needs of students in remedial education courses, and including counseling students on career options and the range of programs available, such as certificate programs that are articulated to degree programs and programs designed to facilitate transfer to four-year institutions of higher education.

[(4) Improving the quality of teaching in remedial courses through professional development, reclassification of such teaching positions, or other means the institution of higher education determines appropriate.

[(5) Any other activities the institution of higher education and the Secretary determine will promote retention of, and completion by, students attending institutions of higher education.

[(g) GRANT PERIOD.—Grants made under this section shall be for a period of not less than three years and not more than five years.

[(h) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to recipients of, and applicants for, grants under this section.

[(i) REPORT AND SUMMARY.—Each institution of higher education that receives a grant under this section shall report to the Secretary on the effectiveness of the program in enabling students to move rapidly from developmental coursework into for-credit occupational courses and through program completion. The Secretary shall summarize the reports, identify best practices, and disseminate the information from such summary and identification to the public.

[(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART Q—RURAL DEVELOPMENT GRANTS FOR RURAL-SERVING COLLEGES AND UNIVERSITIES

[SEC. 861. GRANTS TO RURAL-SERVING INSTITUTIONS OF HIGHER EDUCATION.

[(a) PURPOSES.—The purposes of this section are—

[(1) to increase enrollment and graduation rates of secondary school graduates and nontraditional students from rural areas at two-year and four-year institutions of higher education, and their articulation from two-year degree programs into four-year degree programs; and

[(2) to promote economic growth and development in rural America through partnership grants to consortia of rural-serving institutions of higher education, local educational agencies, and regional employers.

[(b) DEFINITIONS.—For the purposes of this section:

[(1) RURAL-SERVING INSTITUTION OF HIGHER EDUCATION.—The term “rural-serving institution of higher education” means an institution of higher education that primarily serves rural areas.

[(2) RURAL AREA.—The term “rural area” means an area that is defined, identified, or otherwise recognized as rural by a governmental agency of the State in which the area is located.

[(3) NONTRADITIONAL STUDENT.—The term “nontraditional student” means an individual who—

[(A) delays enrollment in an institution of higher education by three or more years after secondary school graduation;

[(B) attends an institution of higher education part-time; or

[(C) attends an institution of higher education and—

[(i) works full-time;

[(ii) is an independent student, as defined in section 480;

[(iii) has one or more dependents other than a spouse;

[(iv) is a single parent; or

[(v) does not have a secondary school diploma or the recognized equivalent of such a diploma.

[(4) REGIONAL EMPLOYER.—The term “regional employer” means an employer within a rural area.

[(c) PARTNERSHIP.—

[(1) REQUIRED PARTNERS.—A rural-serving institution of higher education, or a consortium of rural-serving institutions of higher education, that receives a grant under this section shall carry out the activities of the grant in partnership with—

[(A) one or more local educational agencies serving a rural area; and

[(B) one or more regional employers or local boards (as such term is defined in section 3 of the Workforce Innovation and Opportunity Act) serving a rural area.

[(2) OPTIONAL PARTNERS.—A rural-serving institution of higher education, or a consortium of rural-serving institutions of higher education, that receives a grant under this section, may carry out the activities of the grant in partnership with—

[(A) an educational service agency (as defined in section 8101 of the Elementary and Secondary Education Act of 1965); or

[(B) a nonprofit organization with demonstrated expertise in rural education at the secondary and postsecondary levels.

[(d) GRANTS AUTHORIZED.—

[(1) IN GENERAL.—From amounts made available under subsection (g), the Secretary is authorized to award grants, on a competitive basis, to eligible rural-serving institutions of higher education or a consortium of such institutions, to carry out the activities described in subsection (f).

[(2) DURATION.—A grant awarded under this section shall be awarded for a period not to exceed three years.

[(3) MAXIMUM AND MINIMUM GRANTS.—No grant awarded under this section shall be less than \$200,000.

[(4) SPECIAL CONSIDERATIONS.—In awarding grants under this section, the Secretary shall give special consideration to applications that demonstrate the most potential and propose the most promising and innovative approaches for—

[(A) increasing the percentage of graduates of rural secondary schools attending rural-serving institutions of higher education;

[(B) meeting the employment needs of regional employers with graduates of rural-serving institutions of higher education; and

[(C) improving the health of the regional economy of a rural area through a partnership of local educational agencies serving the rural area, rural-serving institutions of higher education, and regional employers.

[(5) LIMITATION.—A rural-serving institution of higher education shall not receive more than one grant under this section.

[(e) APPLICATIONS.—Each rural-serving institution of higher education desiring a grant under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may reasonably require.

[(f) REQUIRED USE OF FUNDS.—A rural-serving institution of higher education that receives a grant under this section shall use grant funds for at least three of the following four purposes:

[(1) To improve postsecondary enrollment rates for rural secondary school students at rural-serving institutions of higher education, which may include—

[(A) programs to provide students and families with counseling related to applying for postsecondary education, and Federal and State financial assistance for postsecondary education;

[(B) programs that provide students and families of rural high schools access and exposure to campuses, classes, programs, and internships of rural-serving institutions of higher education, including covering the cost of transportation to and from such institutions; and

[(C) other initiatives that assist students and families in applying for and developing interest in attending rural-serving institutions of higher education.

[(2) To increase enrollment rates of nontraditional students in degree programs at rural-serving institutions of higher education, which may include—

[(A) programs to provide nontraditional students with counseling related to applying for postsecondary education, and Federal and State financial assistance for postsecondary education;

[(B) community outreach initiatives to encourage nontraditional students to enroll in a rural-serving institution of higher education; and

[(C) programs to improve the enrollment of nontraditional students in two-year degree programs and the transition of nontraditional students articulating from two-year degree programs to four-year degree programs.

[(3) To create or strengthen academic programs at rural-serving institutions of higher education to prepare graduates to enter into high-need occupations in the regional and local economies.

[(4) To provide additional career training to students of rural-serving institutions of higher education in fields relevant to the regional economy.

[(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as many be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART R—CAMPUS-BASED DIGITAL THEFT PREVENTION

[SEC. 871. CAMPUS-BASED DIGITAL THEFT PREVENTION.

[(a) PROGRAM AUTHORITY.—From the amounts appropriated under subsection (d), the Secretary may make grants to institutions of higher education, or consortia of such institutions, and enter into contracts with such institutions, consortia, and other organizations, to develop, implement, operate, improve, and disseminate programs of prevention, education, and cost-effective technological solutions, to reduce and eliminate the illegal downloading and distribution of intellectual property. Such grants or contracts may also be used for the support of higher education centers that will provide training, technical assistance, evaluation, dissemina-

tion, and associated services and assistance to the higher education community as determined by the Secretary and institutions of higher education.

[(b) AWARDS.—Grants and contracts shall be awarded under this section on a competitive basis.

[(c) APPLICATIONS.—An institution of higher education or a consortium of such institutions that desires to receive a grant or contract under this section shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require by regulation.

[(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART S—TRAINING FOR REALTIME WRITERS

[SEC. 872. PROGRAM TO PROMOTE TRAINING AND JOB PLACEMENT OF REALTIME WRITERS.

[(a) AUTHORIZATION OF GRANT PROGRAM.—

[(1) IN GENERAL.—From the amounts appropriated to carry out this section, the Secretary shall award grants, on a competitive basis, to eligible entities under paragraph (2) to promote training and placement of individuals, including individuals who have completed a court reporting training program, as realtime writers in order to meet the requirements for closed captioning of video programming set forth in section 713 of the Communications Act of 1934 (47 U.S.C. 613) and the rules prescribed thereunder.

[(2) ELIGIBLE ENTITIES.—For purposes of this section, an eligible entity is a court reporting program that—

[(A) has a curriculum capable of training realtime writers qualified to provide captioning services;

[(B) is accredited by an accrediting agency or association recognized by the Secretary; and

[(C) is participating in student aid programs under title IV.

[(3) PRIORITY IN GRANTS.—In determining whether to make grants under this section, the Secretary shall give a priority to eligible entities that, as determined by the Secretary—

[(A) possess the most substantial capability to increase their capacity to train realtime writers;

[(B) demonstrate the most promising collaboration with educational institutions, businesses, labor organizations, or other community groups having the potential to train or provide job placement assistance to realtime writers; or

[(C) propose the most promising and innovative approaches for initiating or expanding training or job placement assistance efforts with respect to realtime writers.

[(4) DURATION OF GRANT.—A grant under this section shall be for a period of up to five years.

[(5) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided under this subsection to an eligible entity may not exceed \$1,500,000 for the period of the grant.

[(b) APPLICATION.—

[(1) IN GENERAL.—To receive a grant under subsection (a), an eligible entity shall submit an application to the Secretary at such time and in such manner as the Secretary may require. The application shall contain the information set forth under paragraph (2).

[(2) INFORMATION.—Information in the application of an eligible entity for a grant under subsection (a) shall include the following:

[(A) A description of the training and assistance to be funded using the grant amount, including how such training and assistance will increase the number of realtime writers.

[(B) A description of performance measures to be utilized to evaluate the progress of individuals receiving such training and assistance in matters relating to enrollment, completion of training, and job placement and retention.

[(C) A description of the manner in which the eligible entity will ensure that recipients of scholarships, if any, funded by the grant will be employed and retained as realtime writers.

[(D) A description of the manner in which the eligible entity intends to continue providing the training and assistance to be funded by the grant after the end of the grant period, including any partnerships or arrangements established for that purpose.

[(E) A description of how the eligible entity will work with local boards (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)) to ensure that training and assistance to be funded with the grant will further local workforce goals, including the creation of educational opportunities for individuals who are from economically disadvantaged backgrounds or are displaced workers.

[(F) Additional information, if any, on the eligibility of the eligible entity for priority in the making of grants under subsection (a)(3).

[(G) Such other information as the Secretary may require.

[(c) USE OF FUNDS.—

[(1) IN GENERAL.—An eligible entity receiving a grant under subsection (a) shall use the grant amount for purposes relating to the recruitment, training and assistance, and job placement of individuals, including individuals who have completed a court reporting training program, as realtime writers, including—

[(A) recruitment;

[(B) subject to paragraph (2), the provision of scholarships;

[(C) distance learning;

[(D) further developing and implementing both English and Spanish curricula to more effectively train individuals in realtime writing skills, and education in the knowledge necessary for the delivery of high quality closed captioning services;

[(E) mentoring students to ensure successful completion of the realtime training and providing assistance in job placement;

[(F) encouraging individuals with disabilities to pursue a career in realtime writing; and

[(G) the employment and payment of personnel for the purposes described in this paragraph.

[(2) SCHOLARSHIPS.—

[(A) AMOUNT.—The amount of a scholarship under paragraph (1)(B) shall be based on the amount of need of the scholarship recipient for financial assistance, as determined in accordance with part F of title IV.

[(B) AGREEMENT.—Each recipient of a scholarship under paragraph (1)(B) shall enter into an agreement with the school in which the recipient is enrolled to provide realtime writing services for the purposes described in subsection (a)(1) for a period of time appropriate (as determined by the Secretary) for the amount of the scholarship received.

[(C) COURSEWORK AND EMPLOYMENT.—The Secretary shall establish requirements for coursework and employment for recipients of scholarships under paragraph (1)(B), including requirements for repayment of scholarship amounts in the event of failure to meet such requirements for coursework and employment. The Secretary may waive, in whole or in part, the requirements for repayment of scholarship amounts on the basis of economic conditions which may affect the ability of scholarship recipients to find work as realtime writers.

[(3) ADMINISTRATIVE COSTS.—The recipient of a grant under this section may not use more than five percent of the grant amount to pay administrative costs associated with activities funded by the grant. The Secretary shall use not more than five percent of the amount available for grants under this section in any fiscal year for administrative costs of the program.

[(4) SUPPLEMENT NOT SUPPLANT.—Grant amounts under this section shall supplement and not supplant other Federal or non-Federal funds of the grant recipient for purposes of promoting the training and placement of individuals as realtime writers.

[(d) REPORT.—

[(1) IN GENERAL.—Each eligible entity receiving a grant under subsection (a) shall submit to the Secretary, at the end of the grant period, a report on the activities of such entity with respect to the use of grant amounts during the grant period.

[(2) REPORT INFORMATION.—Each report of an eligible entity under paragraph (1) shall include—

[(A) an assessment by the entity of the effectiveness of activities carried out using such funds in increasing the number of realtime writers, using the performance measures submitted by the eligible entity in the application for the grant under subsection (b)(2); and

[(B) a description of the best practices identified by the eligible entity for increasing the number of individuals

who are trained, employed, and retained in employment as realtime writers.

[(3) SUMMARIES.—The Secretary shall summarize the reports submitted under paragraph (2) and make such summary available on the Department's website.

[(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART T—CENTERS OF EXCELLENCE FOR VETERAN STUDENT SUCCESS

[SEC. 873. MODEL PROGRAMS FOR CENTERS OF EXCELLENCE FOR VETERAN STUDENT SUCCESS.

[(a) PURPOSE.—It is the purpose of this section to encourage model programs to support veteran student success in postsecondary education by coordinating services to address the academic, financial, physical, and social needs of veteran students.

[(b) GRANTS AUTHORIZED.—

[(1) IN GENERAL.—Subject to the availability of appropriations under subsection (f), the Secretary shall award grants to institutions of higher education to develop model programs to support veteran student success in postsecondary education.

[(2) GRANT PERIOD.—A grant awarded under this section shall be awarded for a period of three years.

[(c) USE OF GRANTS.—

[(1) REQUIRED ACTIVITIES.—An institution of higher education receiving a grant under this section shall use such grant to carry out a model program that includes—

[(A) establishing a Center of Excellence for Veteran Student Success on the campus of the institution to provide a single point of contact to coordinate comprehensive support services for veteran students;

[(B) establishing a veteran student support team, including representatives from the offices of the institution responsible for admissions, registration, financial aid, veterans benefits, academic advising, student health, personal or mental health counseling, career advising, disabilities services, and any other office of the institution that provides support to veteran students on campus;

[(C) providing a coordinator whose primary responsibility is to coordinate the model program carried out under this section;

[(D) monitoring the rates of veteran student enrollment, persistence, and completion; and

[(E) developing a plan to sustain the Center of Excellence for Veteran Student Success after the grant period.

[(2) OTHER AUTHORIZED ACTIVITIES.—An institution of higher education receiving a grant under this section may use such grant to carry out any of the following activities with respect to veteran students:

[(A) Outreach and recruitment of such students.

[(B) Supportive instructional services for such students, which may include—

[(i) personal, academic, and career counseling, as an ongoing part of the program;

[(ii) tutoring and academic skill-building instruction assistance, as needed; and

[(iii) assistance with special admissions and transfer of credit from previous postsecondary education or experience.

[(C) Assistance in obtaining student financial aid.

[(D) Housing support for veteran students living in institutional facilities and commuting veteran students.

[(E) Cultural events, academic programs, orientation programs, and other activities designed to ease the transition to campus life for veteran students.

[(F) Support for veteran student organizations and veteran student support groups on campus.

[(G) Coordination of academic advising and admissions counseling with military bases and national guard units in the area.

[(H) Other support services the institution determines to be necessary to ensure the success of veterans in achieving educational and career goals.

[(d) APPLICATION; SELECTION.—

[(1) APPLICATION.—To be considered for a grant under this section, an institution of higher education shall submit to the Secretary an application at such time, in such manner, and accompanied by such information as the Secretary may require.

[(2) SELECTION CONSIDERATIONS.—In awarding grants under this section, the Secretary shall consider—

[(A) the number of veteran students enrolled at an institution of higher education; and

[(B) the need for model programs to address the needs of veteran students at a wide range of institutions of higher education, including the need to provide—

[(i) an equitable distribution of such grants to institutions of higher education of various types and sizes;

[(ii) an equitable geographic distribution of such grants; and

[(iii) an equitable distribution of such grants among rural and urban areas.

[(e) EVALUATION AND ACCOUNTABILITY PLAN.—The Secretary shall develop an evaluation and accountability plan for model programs funded under this section to objectively measure the impact of such programs, including a measure of whether postsecondary education enrollment, persistence, and completion for veterans increases as a result of such programs.

[(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART U—UNIVERSITY SUSTAINABILITY PROGRAMS

[SEC. 881. SUSTAINABILITY PLANNING GRANTS AUTHORIZED.

[(a) PROGRAM AUTHORIZED.—

[(1) IN GENERAL.—From the amounts appropriated to carry out this section, the Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall make grants to eligible entities to establish sustainability programs to design and implement sustainability practices, including in the areas of energy management, greenhouse gas emissions reductions, green building, waste management, purchasing, transportation, and toxics management, and other aspects of sustainability that integrate campus operations with multidisciplinary academic programs and are applicable to the private and government sectors.

[(2) PERIOD OF GRANT.—The provision of payments under a grant under paragraph (1) shall extend over a period of not more than four fiscal years.

[(3) DEFINITION OF ELIGIBLE ENTITY.—For purposes of this part, the term “eligible entity” means—

[(A) an institution of higher education; or

[(B) a nonprofit consortium, association, alliance, or collaboration operating in partnership with one or more institutions of higher education that received funds for the implementation of work associated with sustainability programs under this part.

[(b) APPLICATIONS.—

[(1) IN GENERAL.—To receive a grant under subsection (a)(1), an eligible entity shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may reasonably require.

[(2) ASSURANCES.—Such application shall include assurances that the eligible entity—

[(A) has developed a plan, including an evaluation component, for the program component established pursuant to subsection (c);

[(B) shall use Federal funds received from a grant under subsection (a) to supplement, not supplant, non-Federal funds that would otherwise be available for projects funded under this section;

[(C) shall provide, with respect to any fiscal year in which such entity receives funds from a grant under subsection (a)(1), non-Federal funds or an in-kind contribution in an amount equal to 20 percent of funds from such grant, for the purpose of carrying out the program component established pursuant to subsection (c); and

[(D) shall collaborate with business, government, and the nonprofit sectors in the development and implementation of its sustainability plan.

[(c) USE OF FUNDS.—

[(1) INDIVIDUAL INSTITUTIONS.—Grants made under subsection (a) may be used by an eligible entity that is an individual institution of higher education for the following purposes:

[(A) To develop and implement administrative and operations practices at an institution of higher education that test, model, and analyze principles of sustainability.

[(B) To establish multidisciplinary education, research, and outreach programs at an institution of higher edu-

cation that address the environmental, social, and economic dimensions of sustainability.

[(C) To support research and teaching initiatives that focus on multidisciplinary and integrated environmental, economic, and social elements.

[(D) To establish initiatives in the areas of energy management, greenhouse gas emissions reductions, green building, waste management, purchasing, toxics management, transportation, and other aspects of sustainability.

[(E) To support student, faculty, and staff work at an institution of higher education to implement, research, and evaluate sustainable practices.

[(F) To expand sustainability literacy on campus.

[(G) To integrate sustainability curricula in all programs of instruction, particularly in business, architecture, technology, manufacturing, engineering, and science programs.

[(2) PARTNERSHIPS.—Grants made under subsection (a) may be used by an eligible entity that is a nonprofit consortium, association, alliance, or collaboration operating in partnership with one or more institutions of higher education for the following purposes:

[(A) To conduct faculty, staff and administrator training on the subjects of sustainability and institutional change.

[(B) To compile, evaluate, and disseminate best practices, case studies, guidelines and standards regarding sustainability.

[(C) To conduct efforts to engage external stakeholders such as business, alumni, and accrediting agencies in the process of building support for research, education, and technology development for sustainability.

[(D) To conduct professional development programs for faculty in all disciplines to enable faculty to incorporate sustainability content in their courses.

[(E) To create the analytical tools necessary for institutions of higher education to assess and measure their individual progress toward fully sustainable campus operations and fully integrating sustainability into the curriculum.

[(F) To develop educational benchmarks for institutions of higher education to determine the necessary rigor and effectiveness of academic sustainability programs.

[(d) REPORTS.—An eligible entity that receives a grant under subsection (a) shall submit to the Secretary, for each fiscal year in which the entity receives amounts from such grant, a report that describes the work conducted pursuant to subsection (c), research findings and publications, administrative savings experienced, and an evaluation of the program.

[(e) ALLOCATION REQUIREMENT.—The Secretary may not make grants under subsection (a) to any eligible entity in a total amount that is less than \$250,000 or more than \$2,000,000.

[(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART V—MODELING AND SIMULATION PROGRAMS

ISEC. 891. MODELING AND SIMULATION.

[(a) PURPOSE; DEFINITION.—

[(1) PURPOSE.—The purpose of this section is to promote the study of modeling and simulation at institutions of higher education, through the collaboration with new and existing programs, and specifically to promote the use of technology in such study through the creation of accurate models that can simulate processes or recreate real life, by—

[(A) establishing a task force at the Department of Education to raise awareness of and define the study of modeling and simulation;

[(B) providing grants to institutions of higher education to develop new modeling and simulation degree programs; and

[(C) providing grants for institutions of higher education to enhance existing modeling and simulation degree programs.

[(2) DEFINITION.—In this section, the term “modeling and simulation” means a field of study related to the application of computer science and mathematics to develop a level of understanding of the interaction of the parts of a system and of a system as a whole.

[(b) ESTABLISHMENT OF TASK FORCE.—

[(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall establish a task force within the Department to study modeling and simulation and to support the development of the modeling and simulation field. The activities of such task force shall include—

[(A) helping to define the study of modeling and simulation (including the content of modeling and simulation classes and programs);

[(B) identifying best practices for such study;

[(C) identifying core knowledge and skills that individuals who participate in modeling and simulation programs should acquire; and

[(D) providing recommendations to the Secretary with respect to—

[(i) the information described in subparagraphs (A) through (C); and

[(ii) a system by which grants under this section will be distributed.

[(2) TASK FORCE MEMBERSHIP.—The membership of the task force under this subsection shall be composed of representatives from—

[(A) institutions of higher education with established modeling and simulation degree programs;

[(B) the National Science Foundation;

[(C) Federal Government agencies that use modeling and simulation extensively, including the Department of Defense, the National Institutes of Health, the Department of Homeland Security, the Department of Health and

Human Services, the Department of Energy, and the Department of Transportation;

[(D) private industries with a primary focus on modeling and simulation;

[(E) national modeling and simulation organizations; and

[(F) the Office of Science and Technology Policy.

[(c) ENHANCING MODELING AND SIMULATION AT INSTITUTIONS OF HIGHER EDUCATION.—

[(1) ENHANCEMENT GRANTS AUTHORIZED.—

[(A) IN GENERAL.—The Secretary is authorized to award grants, on a competitive basis, to eligible institutions to enhance modeling and simulation degree programs at such eligible institutions.

[(B) DURATION OF GRANT.—A grant awarded under this subsection shall be awarded for a three-year period, and such grant period may be extended for not more than two years if the Secretary determines that an eligible institution has demonstrated success in enhancing the modeling and simulation degree program at such eligible institution.

[(C) MINIMUM GRANT AMOUNT.—Subject to the availability of appropriations, a grant awarded to an eligible institution under this subsection shall not be less than \$750,000.

[(D) NON-FEDERAL SHARE.—Each eligible institution receiving a grant under this subsection shall provide, from non-Federal sources, in cash or in-kind, an amount equal to 25 percent of the amount of the grant to carry out the activities supported by the grant. The Secretary may waive the non-Federal share requirement under this subparagraph for an eligible institution if the Secretary determines a waiver to be appropriate based on the financial ability of the institution.

[(2) ELIGIBLE INSTITUTIONS.—For the purposes of this subsection, an eligible institution is an institution of higher education that—

[(A) has an established modeling and simulation degree program, including a major, minor, or career-track program; or

[(B) has an established modeling and simulation certificate or concentration program.

[(3) APPLICATION.—To be considered for a grant under this subsection, an eligible institution shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require. Such application shall include—

[(A) a letter from the president or provost of the eligible institution that demonstrates the institution's commitment to the enhancement of the modeling and simulation program at the institution of higher education;

[(B) an identification of designated faculty responsible for the enhancement of the institution's modeling and simulation program; and

[(C) a detailed plan for how the grant funds will be used to enhance the modeling and simulation program of the institution.

[(4) USES OF FUNDS.—A grant awarded under this subsection shall be used by an eligible institution to carry out the plan developed in accordance with paragraph (3)(C) to enhance modeling and simulation programs at the institution, which may include—

[(A) in the case of an institution that is eligible under paragraph (2)(B), activities to assist in the establishment of a major, minor, or career-track modeling and simulation program at the eligible institution;

[(B) expanding the multidisciplinary nature of the institution's modeling and simulation programs;

[(C) recruiting students into the field of modeling and simulation through the provision of fellowships or assistantships;

[(D) creating new courses to complement existing courses and reflect emerging developments in the modeling and simulation field;

[(E) conducting research to support new methodologies and techniques in modeling and simulation; and

[(F) purchasing equipment necessary for modeling and simulation programs.

[(d) ESTABLISHING MODELING AND SIMULATION PROGRAMS.—

[(1) ESTABLISHMENT GRANTS AUTHORIZED.—

[(A) IN GENERAL.—The Secretary is authorized to award grants to institutions of higher education to establish a modeling and simulation program, including a major, minor, career-track, certificate, or concentration program.

[(B) DURATION OF GRANT.—A grant awarded under this subsection shall be awarded for a three-year period, and such grant period may be extended for not more than two years if the Secretary determines that an eligible institution has demonstrated success in establishing a modeling and simulation degree program at such eligible institution.

[(C) MINIMUM GRANT AMOUNT.—Subject to the availability of appropriations, a grant awarded to an eligible institution under this subsection shall not be less than \$750,000.

[(D) NON-FEDERAL SHARE.—Each eligible institution receiving a grant under this subsection shall provide, from non-Federal sources, in cash or in-kind, an amount equal to 25 percent of the amount of the grant to carry out the activities supported by the grant. The Secretary may waive the non-Federal share requirement under this subparagraph for an eligible institution if the Secretary determines a waiver to be appropriate based on the financial ability of the institution.

[(2) APPLICATION.—To apply for a grant under this subsection, an eligible institution shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require. Such application shall include—

[(A) a letter from the president or provost of the eligible institution that demonstrates the institution's commitment to the establishment of a modeling and simulation program at the institution of higher education;

[(B) a detailed plan for how the grant funds will be used to establish a modeling and simulation program at the institution; and

[(C) a description of how the modeling and simulation program established under this subsection will complement existing programs and fit into the institution's current program and course offerings.

[(3) USES OF FUNDS.—A grant awarded under this subsection may be used by an eligible institution to—

[(A) establish, or work toward the establishment of, a modeling and simulation program, including a major, minor, career-track, certificate, or concentration program at the eligible institution;

[(B) provide adequate staffing to ensure the successful establishment of the modeling and simulation program, which may include the assignment of full-time dedicated or supportive faculty; and

[(C) purchase equipment necessary for a modeling and simulation program.

[(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years. Of the amounts authorized to be appropriated for each fiscal year—

[(1) \$1,000,000 is authorized to carry out the activities of the task force established pursuant to subsection (b); and

[(2) of the amount remaining after the allocation for paragraph (1)—

[(A) 50 percent is authorized to carry out the grant program under subsection (c); and

[(B) 50 percent is authorized to carry out the grant program under subsection (d).

[PART W—PATH TO SUCCESS

[SEC. 892. PATH TO SUCCESS.

[(a) PURPOSE.—The purpose of this section is to encourage community supported programs that—

[(1) leverage and enhance community support for at-risk young adults by facilitating the transition of such young adults who are eligible individuals into productive learning environments where such young adults can obtain the life, social, academic, career, and technical skills and credentials necessary to strengthen the Nation's workforce;

[(2) provide counseling, as appropriate, for eligible individuals participating in the programs to allow the eligible individuals to build a relationship with one or more guidance counselors during the period that the individuals are enrolled in the programs, including providing referrals and connections to community resources that help eligible individuals transition back into the community with the necessary life, social, aca-

ademic, career, and technical skills after being in detention, or incarcerated, particularly resources related to health, housing, job training, and workplace readiness;

[(3) provide training and education for eligible individuals participating in the programs, to allow such individuals to assist community officials and law enforcement agencies with the deterrence and prevention of gang and youth violence by participating in seminars, training, and workshops throughout the community; and

[(4) provide each eligible individual participating in the programs with individual attention based on a curriculum that matches the interests and abilities of the individual to the resources of the program.

[(b) REENTRY EDUCATION PROGRAM.—

[(1) GRANT PROGRAM ESTABLISHED.—From the amounts appropriated under subsection (g), the Secretary is authorized to award grants to community colleges to enter into and maintain partnerships with juvenile detention centers and secure juvenile justice residential facilities to provide assistance, services, and education to eligible individuals who reenter the community and pursue, in accordance with the requirements of this section, at least one of the following:

[(A) A certificate of completion for a specialized area of study, such as career and technical training and other alternative postsecondary educational programs.

[(B) An associate's degree.

[(2) GRANT PERIOD.—A grant awarded under this part shall be for one four-year period, and may be renewed for an additional period as the Secretary determines to be appropriate.

[(3) APPLICATION.—A community college desiring to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary shall require. Such application shall include—

[(A) an assessment of the existing community resources available to serve at-risk youth;

[(B) a detailed description of the program and activities the community college will carry out with such grant; and

[(C) a proposed budget describing how the community college will use the funds made available by such grant.

[(4) PRIORITY.—In awarding grants under this part, the Secretary shall give priority to community colleges that propose to serve the highest number of priority individuals, and, among such community colleges, shall give priority to community colleges that the Secretary determines will best carry out the purposes of this part, based on the applications submitted in accordance with paragraph (3).

[(c) ALLOWABLE USES OF FUNDS.—A community college awarded a grant under this part may use such grant to—

[(1) pay for tuition and transportation costs of eligible individuals;

[(2) establish and carry out an education program that includes classes for eligible individuals that—

[(A) provide marketable life and social skills to such individuals;

[(B) meet the education program requirements under subsection (d), including as appropriate, courses necessary for the completion of a secondary school diploma or the recognized equivalent;

[(C) promote the civic engagement of such individuals; and

[(D) facilitate a smooth reentry of such individuals into the community;

[(3) create and carry out a mentoring program that is—

[(A) specifically designed to help eligible individuals with the potential challenges of the transitional period from detention to release;

[(B) created in consultation with guidance counselors, academic advisors, law enforcement officials, and other community resources; and

[(C) administered by a program coordinator, selected and employed by the community college, who shall oversee each individual's development and shall serve as the immediate supervisor and reporting officer to whom the academic advisors, guidance counselors, and volunteers shall report regarding the progress of each such individual;

[(4) facilitate employment opportunities for eligible individuals by entering into partnerships with public and private entities to provide opportunities for internships, apprenticeships, and permanent employment, as possible, for such individuals; and

[(5) provide training for eligible individuals participating in the programs, to allow such individuals to assist community officials and law enforcement agencies with the deterrence and prevention of gang and youth violence by participating in seminars and workshop series throughout the community.

[(d) EDUCATION PROGRAM REQUIREMENTS.—An education program established and carried out under subsection (c) shall—

[(1) include classes that are required for completion of a certificate, diploma, or degree described in subparagraph (A) or (B) of subsection (b)(1), including as appropriate courses necessary for the completion of a secondary school diploma or the recognized equivalent;

[(2) provide a variety of academic programs, with various completion requirements, to accommodate the diverse academic backgrounds, learning styles, and academic and career interests of the eligible individuals who participate in the education program;

[(3) offer flexible academic programs that are designed to improve the academic development and achievement of eligible individuals, and to avoid high attrition rates for such individuals; and

[(4) provide for a uniquely designed education plan for each eligible individual participating in the program, which shall require such individual to receive, at a minimum, a certificate or degree described in subparagraph (A) or (B) of subsection (b)(1) to successfully complete such program.

[(e) REPORTS.—Each community college awarded a grant under this part shall submit to the Secretary a report—

[(1) documenting the results of the program carried out with such grant; and

[(2) evaluating the effectiveness of activities carried out through such program.

[(f) DEFINITIONS.—In this section:

[(1) COMMUNITY COLLEGE.—The term “community college” has the meaning given the term “junior or community college” in section 312(f).

[(2) ELIGIBLE INDIVIDUAL.—The term “eligible individual” means an individual who—

[(A) is 16 to 25 years of age (inclusive); and

[(B)(i) has been convicted of a criminal offense; and

[(ii) is detained in, or has been released from, a juvenile detention center or secure juvenile justice residential facility.

[(3) GANG-RELATED OFFENSE.—

[(A) IN GENERAL.—The term “gang-related offense” means an offense that involves the circumstances described in subparagraph (B) and that is—

[(i) a Federal or State felony involving a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for which the maximum penalty is not less than five years;

[(ii) a Federal or State crime of violence that has as an element the use or attempted use of physical force against the person of another for which the maximum penalty is not less than six months; or

[(iii) a conspiracy to commit an offense described in clause (i) or (ii).

[(B) CIRCUMSTANCES.—The circumstances described in this subparagraph are that the offense described in subparagraph (A) was committed by a person who—

[(i) participates in a criminal street gang (as defined in section 521(a) of title 18, United States Code) with knowledge that such gang’s members engage in or have engaged in a continuing series of offenses described in subparagraph (A); and

[(ii) intends to promote or further the felonious activities of the criminal street gang or maintain or increase the person’s position in the gang.

[(4) PRIORITY INDIVIDUAL.—The term “priority individual” means an individual who—

[(A) is an eligible individual;

[(B) has been convicted of a gang-related offense; and

[(C) has served or is serving a period of detention in a juvenile detention center or secure juvenile justice residential facility for such offense.

[(5) GUIDANCE COUNSELOR.—The term “guidance counselor” means an individual who works with at-risk youth on a one-on-one basis, to establish a supportive relationship with such at-risk youth and to provide such at-risk youth with academic assistance and exposure to new experiences that enhance their ability to become responsible citizens.

[(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be

necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART X—SCHOOL OF VETERINARY MEDICINE COMPETITIVE GRANT PROGRAM

[SEC. 893. SCHOOL OF VETERINARY MEDICINE COMPETITIVE GRANT PROGRAM.

[(a) IN GENERAL.—From the amounts appropriated under subsection (g), the Secretary of Health and Human Services shall award competitive grants to eligible entities for the purpose of improving public health preparedness through increasing the number of veterinarians in the workforce.

[(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an entity shall—

[(1) be—

[(A) a public or other nonprofit school of veterinary medicine that is accredited by a nationally recognized accrediting agency or association recognized by the Secretary of Education pursuant to part H of title IV;

[(B) a public or nonprofit, department of comparative medicine, department of veterinary science, school of public health, or school of medicine that is accredited by a nationally recognized accrediting agency or association recognized by the Secretary of Education pursuant to part H of title IV and that offers graduate training for veterinarians in a public health practice area as determined by the Secretary of Health and Human Services; or

[(C) a public or nonprofit entity that—

[(i) conducts recognized residency training programs for veterinarians that are approved by a veterinary specialty organization that is recognized by the American Veterinary Medical Association; and

[(ii) offers postgraduate training for veterinarians in a public health practice area as determined by the Secretary of Health and Human Services; and

[(2) prepare and submit to the Secretary of Health and Human Services an application, at such time, in such manner, and containing such information as the Secretary of Health and Human Services may require.

[(c) CONSIDERATION OF APPLICATIONS.—The Secretary of Health and Human Services shall establish procedures to ensure that applications under subsection (b)(2) are rigorously reviewed and that grants are competitively awarded based on—

[(1) the ability of the applicant to increase the number of veterinarians who are trained in specified public health practice areas as determined by the Secretary of Health and Human Services;

[(2) the ability of the applicant to increase capacity in research on high priority disease agents; or

[(3) any other consideration the Secretary of Health and Human Services determines necessary.

[(d) PREFERENCE.—In awarding grants under subsection (a), the Secretary of Health and Human Services shall give preference to applicants that demonstrate a comprehensive approach by involv-

ing more than one school of veterinary medicine, department of comparative medicine, department of veterinary science, school of public health, school of medicine, or residency training program that offers postgraduate training for veterinarians in a public health practice area as determined by the Secretary of Health and Human Services.

[(e) USE OF FUNDS.—Amounts received under a grant under this section shall be used by a grantee to increase the number of veterinarians in the workforce through paying costs associated with the expansion of academic programs at schools of veterinary medicine, departments of comparative medicine, departments of veterinary science, or entities offering residency training programs, or academic programs that offer postgraduate training for veterinarians or concurrent training for veterinary students in specific areas of specialization, which costs may include minor renovation and improvement in classrooms, libraries, and laboratories.

[(f) DEFINITION OF PUBLIC HEALTH PRACTICE AREA.—In this section, the term “public health practice area” includes the areas of bioterrorism and emergency preparedness, environmental health, food safety and food security, regulatory medicine, diagnostic laboratory medicine, and biomedical research.

[(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years. Amounts appropriated under this subsection shall remain available until expended.

[PART Y—EARLY FEDERAL PELL GRANT COMMITMENT DEMONSTRATION PROGRAM

[SEC. 894. EARLY FEDERAL PELL GRANT COMMITMENT DEMONSTRATION PROGRAM.

[(a) DEMONSTRATION PROGRAM AUTHORITY.—

[(1) IN GENERAL.—The Secretary is authorized to carry out an Early Federal Pell Grant Commitment Demonstration Program under which—

[(A) the Secretary awards grants to four State educational agencies, in accordance with paragraph (2), to pay the administrative expenses incurred in participating in the demonstration program under this section; and

[(B) the Secretary awards Federal Pell Grants to participating students in accordance with this section and consistent with section 401.

[(2) GRANTS.—

[(A) IN GENERAL.—From amounts appropriated under subsection (h) for a fiscal year, the Secretary is authorized to award grants to four State educational agencies to enable the State educational agencies to pay the administrative expenses incurred in participating in the demonstration program under this section by carrying out a demonstration project under which eighth grade students described in subsection (b)(1)(B) receive a commitment early in the students’ academic careers to receive a Federal Pell Grant.

[(B) EQUAL AMOUNTS.—The Secretary shall award grants under this section in equal amounts to each of the four participating State educational agencies.

[(b) DEMONSTRATION PROJECT REQUIREMENTS.—Each of the four demonstration projects assisted under this section shall meet the following requirements:

[(1) PARTICIPANTS.—

[(A) IN GENERAL.—The State educational agency shall make participation in the demonstration project available to two cohorts of students, which shall consist of—

[(i) one cohort of eighth grade students who begin participating in the first academic year for which funds have been appropriated to carry out this section; and

[(ii) one cohort of eighth grade students who begin participating in the academic year succeeding the academic year described in clause (i).

[(B) STUDENTS IN EACH COHORT.—Each cohort of students shall consist of not more than 10,000 eighth grade students who qualify for a free or reduced price school lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

[(2) STUDENT DATA.—The State educational agency shall ensure that student data from local educational agencies serving students who participate in the demonstration project, as well as student data from local educational agencies serving a comparable group of students who do not participate in the demonstration project, are available for evaluation of the demonstration project, and are made available in accordance with the requirements of section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”).

[(3) FEDERAL PELL GRANT COMMITMENT.—Each student who participates in the demonstration project receives a commitment from the Secretary to receive a Federal Pell Grant during the first academic year that the student is in attendance at an institution of higher education as an undergraduate, provided that the student applies for Federal financial aid (via the FAFSA or EZ FAFSA) for such academic year.

[(4) APPLICATION PROCESS.—Each State educational agency shall establish an application process to select local educational agencies within the State to participate in the demonstration project in accordance with subsection (d)(2).

[(5) LOCAL EDUCATIONAL AGENCY PARTICIPATION.—Subject to the 10,000 statewide student limitation described in paragraph (1), a local educational agency serving students, not less than 50 percent of whom are eligible for a free or reduced price school lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), shall be eligible to participate in the demonstration project.

[(c) STATE EDUCATIONAL AGENCY APPLICATIONS.—

[(1) IN GENERAL.—Each State educational agency desiring to participate in the demonstration program under this section

shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

[(2) CONTENTS.—Each application shall include—

[(A) a description of the proposed targeted information campaign for the demonstration project and a copy of the plan described in subsection (f)(2);

[(B) a description of the student population that will receive an early commitment to receive a Federal Pell Grant under this section;

[(C) an assurance that the State educational agency will fully cooperate with the ongoing evaluation of the demonstration project; and

[(D) such other information as the Secretary may require.

[(d) SELECTION CONSIDERATIONS.—

[(1) SELECTION OF STATE EDUCATIONAL AGENCIES.—In selecting State educational agencies to participate in the demonstration program under this section, the Secretary shall consider—

[(A) the number and quality of State educational agency applications received;

[(B) a State educational agency's—

[(i) financial responsibility;

[(ii) administrative capability;

[(iii) commitment to focusing resources, in addition to any resources provided on students who receive assistance under part A of title I of the Elementary and Secondary Education Act of 1965;

[(iv) ability and plans to run an effective and thorough targeted information campaign for students served by local educational agencies eligible to participate in the demonstration project; and

[(v) ability to ensure the participation in the demonstration project of a diverse group of students, including with respect to ethnicity and gender.

[(2) LOCAL EDUCATIONAL AGENCY.—In selecting local educational agencies to participate in a demonstration project under this section, the State educational agency shall consider—

[(A) the number and quality of local educational agency applications received;

[(B) a local educational agency's—

[(i) financial responsibility;

[(ii) administrative capability;

[(iii) commitment to focusing resources on students who receive assistance under part A of title I of the Elementary and Secondary Education Act of 1965;

[(iv) ability and plans to run an effective and thorough targeted information campaign for students served by the local educational agency; and

[(v) ability to ensure the participation in the demonstration project of a diverse group of students.

[(e) EVALUATION.—

[(1) IN GENERAL.—From amounts appropriated under subsection (h) for a fiscal year, the Secretary shall reserve not more than \$1,000,000 to award a grant or contract to an orga-

nization outside the Department for an independent evaluation of the impact of the demonstration program assisted under this section.

[(2) COMPETITIVE BASIS.—The grant or contract shall be awarded on a competitive basis.

[(3) MATTERS EVALUATED.—The evaluation described in this subsection shall—

[(A) determine the number of students who were encouraged by the demonstration program to pursue higher education;

[(B) identify the barriers to the effectiveness of the demonstration program;

[(C) assess the cost-effectiveness of the demonstration program in improving access to higher education;

[(D) identify the reasons why participants in the demonstration program either received or did not receive a Federal Pell Grant;

[(E) identify intermediate outcomes related to postsecondary education attendance, such as whether participants—

[(i) were more likely to take a college-preparatory curriculum while in secondary school;

[(ii) submitted any applications to institutions of higher education; and

[(iii) took the PSAT, SAT, or ACT;

[(F) identify the number of students participating in the demonstration program who pursued an associate's degree or a bachelor's degree, or other postsecondary education;

[(G) compare the findings of the demonstration program with respect to participants to comparison groups (of similar size and demographics) that did not participate in the demonstration program; and

[(H) identify the impact of the demonstration program on the parents of students eligible to participate in the program.

[(4) DISSEMINATION.—The findings of the evaluation shall be reported to the Secretary, who shall widely disseminate the findings to the public.

[(f) TARGETED INFORMATION CAMPAIGN.—

[(1) IN GENERAL.—Each State educational agency receiving a grant under this section shall, in cooperation with the participating local educational agencies within the State and the Secretary, develop a targeted information campaign for the demonstration project assisted under this section.

[(2) PLAN.—Each State educational agency receiving a grant under this section shall include in the application submitted under subsection (c) a written plan for the State educational agency proposed targeted information campaign. The plan shall include the following:

[(A) OUTREACH.—A description of the outreach to students and the students' families at the beginning and end of each academic year of the demonstration project, at a minimum.

[(B) DISTRIBUTION.—A description of how the State educational agency plans to provide the outreach described in

subparagraph (A) and to provide the information described in subparagraph (C).

[(C) INFORMATION.—The annual provision by the State educational agency to all students and families participating in the demonstration project of information regarding—

[(i) the estimated statewide average cost of attendance for an institution of higher education for each academic year, which cost data shall be disaggregated by—

[(I) type of institution, including—

[(aa) two-year public degree-granting institutions of higher education;

[(bb) four-year public degree-granting institutions of higher education; and

[(cc) four-year private degree-granting institutions of higher education;

[(II) component, including—

[(aa) tuition and fees; and

[(bb) room and board;

[(ii) Federal Pell Grants, including—

[(I) the Federal Pell Grant amount, determined under section 401(b)(2)(A), for which a student may be eligible for each award year;

[(II) when and how to apply for a Federal Pell Grant; and

[(III) what the application process for a Federal Pell Grant requires;

[(iii) State-specific postsecondary education savings programs;

[(iv) State merit-based financial aid;

[(v) State need-based financial aid; and

[(vi) Federal financial aid available to students, including eligibility criteria for such aid and an explanation of the Federal financial aid programs under title IV, such as the Student Guide published by the Department (or any successor to such document).

[(3) COHORTS.—The information described in paragraph (2)(C) shall be provided annually to the two successive cohorts of students described in subsection (b)(1)(A) for the duration of the students' participation in the demonstration project.

[(4) RESERVATION.—Each State educational agency receiving a grant under this section shall reserve not more than 15 percent of the grant funds received each fiscal year to carry out the targeted information campaign described in this subsection.

[(g) SUPPLEMENT, NOT SUPPLANT.—A State educational agency shall use grant funds received under this section only to supplement the funds that would, in the absence of such grant funds, be made available from non-Federal sources for students participating in the demonstration project under this section, and not to supplant such funds.

[(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be

necessary for fiscal year 2009 and each of the five succeeding fiscal years.

**[PART Z—HENRY KUUALOHA GIUGNI KUPUNA
MEMORIAL ARCHIVES**

[SEC. 895. HENRY KUUALOHA GIUGNI KUPUNA MEMORIAL ARCHIVES.

[(a) GRANTS AUTHORIZED.—From the amounts appropriated under subsection (c), the Secretary is authorized to award a grant to the University of Hawaii Academy for Creative Media for the establishment, maintenance, and periodic modernization of the Henry Kuualoha Giugni Kupuna Memorial Archives at the University of Hawaii.

[(b) USE OF FUNDS.—The Henry Kuualoha Giugni Kupuna Memorial Archives shall use the grant funds received under this section—

[(1) to facilitate the acquisition of a secure web-accessible repository of Native Hawaiian historical data rich in ethnic and cultural significance to the United States for preservation and access by future generations;

[(2) to award scholarships to facilitate access to postsecondary education for students who cannot afford such education;

[(3) to support programmatic efforts associated with the web-based media projects of the archives;

[(4) to create educational materials, from the contents of the archives, that are applicable to a broad range of indigenous students, such as Native Hawaiians, Alaskan Natives, and Native American Indians;

[(5) to develop outreach initiatives that introduce the archival collections to elementary schools and secondary schools;

[(6) to develop supplemental web-based resources that define terms and cultural practices innate to Native Hawaiians;

[(7) to rent, lease, purchase, maintain, or repair educational facilities to house the archival collections;

[(8) to rent, lease, purchase, maintain, or repair computer equipment for use by elementary schools and secondary schools in accessing the archival collections;

[(9) to provide preservice and in-service teacher training to develop a core group of kindergarten through grade 12 teachers who are able to provide instruction in a way that is relevant to the unique background of indigenous students, such as Native Hawaiians, Alaskan Natives, and Native American Indians, in order to—

[(A) facilitate greater understanding by teachers of the unique background of indigenous students; and

[(B) improve student achievement; and

[(10) to increase the economic and financial literacy of postsecondary education students through the dissemination of best practices used at other institutions of higher education regarding debt and credit management and economic decision-making.

[(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be

necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[PART AA—MASTERS AND POSTBACCALAUREATE PROGRAMS

[SEC. 897. MASTERS DEGREE PROGRAMS.

[In addition to any amounts appropriated under section 725, there are authorized to be appropriated, and there are appropriated, out of any funds in the Treasury not otherwise appropriated, \$11,500,000 for fiscal year 2009 and for each of the five succeeding fiscal years to carry out subpart 4 of part A of title VII in order to provide grants under sections 723 and 724, in the minimum amount authorized under such sections, to all institutions eligible for grants under such sections.

[SEC. 898. POSTBACCALAUREATE PROGRAMS.

[In addition to any amounts appropriated under part B of title V, there are authorized to be appropriated, and there are appropriated, out of any funds in the Treasury not otherwise appropriated, \$11,500,000 for fiscal year 2009 and for each of the five succeeding fiscal years to carry out part B of title V.]

HIGHER EDUCATION OPPORTUNITY ACT

* * * * *

TITLE VIII—ADDITIONAL PROGRAMS

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[SEC. 802. NATIONAL CENTER FOR RESEARCH IN ADVANCED INFORMATION AND DIGITAL TECHNOLOGIES.

[(a) ESTABLISHMENT.—There shall be established, during the first fiscal year for which appropriations are made available under subsection (c), a nonprofit corporation to be known as the National Center for Research in Advanced Information and Digital Technologies, which shall not be an agency or establishment of the Federal Government. The Center shall be subject to the provisions of this section, and, to the extent consistent with this section, to the District of Columbia Nonprofit Corporation Act (sec. 29-501 et seq., D.C. Official Code).

[(b) PURPOSE.—The purpose of the Center shall be to support a comprehensive research and development program to harness the increasing capacity of advanced information and digital technologies to improve all levels of learning and education, formal and informal, in order to provide Americans with the knowledge and skills needed to compete in the global economy.

[(c) FUNDING.—

[(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Center such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.

[(2) ADDITIONAL FUNDS.—The Center is authorized—

[(A) to accept funds from any Federal agency or entity;

[(B) to accept, hold, administer, and spend any gift, devise, or bequest of real or personal property made to the Center; and

[(C) to enter into competitive contracts with individuals, public or private organizations, professional societies, and government agencies for the purpose of carrying out the functions of the Center.

[(3) PROHIBITION.—The Center shall not accept gifts, devise, or bequests from a foreign government or foreign source.

[(d) BOARD OF DIRECTORS; VACANCIES; COMPENSATION.—

[(1) IN GENERAL.—A Board of the Center shall be established to oversee the administration of the Center.

[(2) INITIAL COMPOSITION.—The initial Board shall consist of nine members to be appointed by the Secretary of Education from recommendations received from the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the majority leader of the Senate, and the minority leader of the Senate, who—

[(A) reflect representation from the public and private sectors;

[(B) shall provide, as nearly as practicable, a broad representation of various regions of the United States, various professions and occupations, and various kinds of talent and experience appropriate to the functions and responsibilities of the Center;

[(C) shall not be in a position to benefit financially directly from the contracts and grants to eligible institutions under subsection (f)(2); and

[(D) may not be officers or employees of the Federal Government or a Members of Congress serving at the time of such appointment.

[(3) VACANCIES AND SUBSEQUENT APPOINTMENTS.—To the extent not inconsistent with paragraph (2), in the case of a vacancy on the Board due to death, resignation, or removal, the vacancy shall be filled through nomination and selection by the sitting members of the Board after—

[(A) taking into consideration the composition of the Board; and

[(B) soliciting recommendations from the public.

[(4) COMPENSATION.—Members of the Board shall serve without compensation but may be reimbursed for reasonable expenses for transportation, lodging, and other expenses directly related to their duties as members of the Board.

[(5) ORGANIZATION AND OPERATION.—The Board shall incorporate and operate the Center in accordance with the laws governing tax exempt organizations in the District of Columbia.

[(e) DIRECTOR AND STAFF.—

[(1) DIRECTOR.—The Board shall appoint a Director of the Center after conducting a national, competitive search to find an individual with the appropriate expertise, experience, and knowledge to oversee the operations of the Center.

[(2) STAFF.—In accordance with procedures established by the Board, the Director shall employ individuals to carry out the functions of the Center.

[(3) COMPENSATION.—In no case shall the Director or any employee of the Center receive annual compensation that exceeds an amount equal to the annual rate payable for level II of the Executive Schedule under section 5313 of title 5, United States Code.

[(f) CENTER ACTIVITIES.—

[(1) USES OF FUNDS.—The Director, after consultation with the Board, shall use the funds made available to the Center—

[(A) to support research to improve education, teaching, and learning that is in the public interest, but that is determined unlikely to be undertaken entirely with private funds;

[(B) to support—

[(i) precompetitive research, development, and demonstrations;

[(ii) assessments of prototypes of innovative digital learning and information technologies, as well as the components and tools needed to create such technologies; and

[(iii) pilot testing and evaluation of prototype systems described in clause (ii); and

[(C) to encourage the widespread adoption and use of effective, innovative digital approaches to improving education, teaching, and learning.

[(2) CONTRACTS AND GRANTS.—

[(A) IN GENERAL.—To carry out the activities described in paragraph (1), the Director, with the agreement of two-thirds of the members of the Board, may award, on a competitive basis, contracts and grants to four-year institutions of higher education, museums, libraries, nonprofit organizations, public institutions with or without for-profit partners, for-profit organizations, and consortia of any such entities.

[(B) PUBLIC DOMAIN.—

[(i) IN GENERAL.—The research and development properties and materials associated with any project funded by a grant or contract under this section shall be freely and nonexclusively available to the general public in a timely manner, consistent with regulations prescribed by the Secretary of Education.

[(ii) EXEMPTION.—The Director may waive the requirements of clause (i) with respect to a project funded by a grant or contract under this section if—

[(I) the Director and the Board (by a unanimous vote of the Board members) determine that the general public will benefit significantly due to the project not being freely and nonexclusively available to the general public in a timely manner; and

[(II) the Board issues a public statement as to the specific reasons of the determination under subclause (I).

[(C) PEER REVIEW.—Proposals for grants or contracts shall be evaluated on the basis of comparative merit by panels of experts who represent diverse interests and perspectives, and who are appointed by the Director based on

recommendations from the fields served and from the Board.

[(g) ACCOUNTABILITY AND REPORTING.—

[(1) REPORT.—

[(A) IN GENERAL.—Not later than December 30 of each year beginning in fiscal year 2009, the Director shall prepare and submit to the Secretary of Education and the authorizing committees a report that contains the information described in subparagraph (B) with respect to the preceding fiscal year.

[(B) CONTENTS.—A report under subparagraph (A) shall include—

[(i) a comprehensive and detailed report of the Center's operations, activities, financial condition, and accomplishments, and such recommendations as the Director determines appropriate;

[(ii) evidence of coordination with the Department of Education, the National Science Foundation, Office of the Assistant Secretary of Defense for Research and Engineering in the Department of Defense, and other related Federal agencies to carry out the operations and activities of the Center;

[(iii) a comprehensive and detailed inventory of funds distributed from the Center during the fiscal year for which the report is being prepared; and

[(iv) an independent audit of the Center's finances and operations, and of the implementation of the goals established by the Board.

[(C) STATEMENT OF THE BOARD.—Each report under subparagraph (A) shall include a statement from the Board containing—

[(i) a clear description of the plans and priorities of the Board for the subsequent year for activities of the Center; and

[(ii) an estimate of the funds that will be expended by the Center for such year.

[(2) TESTIMONY.—The Director and principal officers of the Center shall testify before the authorizing committees and the Committees on Appropriations of the House of Representatives and the Senate, upon request of such committees, with respect to—

[(A) any report required under paragraph (1)(A); and

[(B) any other matter that such committees may determine appropriate.

[(h) USE OF FUNDS SUBJECT TO APPROPRIATIONS.—The authority to award grants, enter into contracts, or otherwise expend funds under this section is subject to the availability of amounts deposited into the Center under subsection (c), or amounts otherwise appropriated for such purposes by an Act of Congress.

[(i) DEFINITIONS.—For purposes of this section:

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

[(2) BOARD.—The term “Board” means the Board of the Center appointed under subsection (d)(1).

[(3) CENTER.—The term “Center” means the National Center for Research in Advanced Information and Digital Technologies established under subsection (a).

[(4) DIRECTOR.—The term “Director” means the Director of the Center appointed under subsection (e)(1).

[SEC. 803. ESTABLISHMENT OF PILOT PROGRAM FOR COURSE MATERIAL RENTAL.

[(a) PILOT GRANT PROGRAM.—From the amounts appropriated pursuant to subsection (e), the Secretary of Education (referred to in this section as the “Secretary”) shall make grants on a competitive basis to not more than ten institutions of higher education to support pilot programs that expand the services of bookstores to provide the option for students to rent course materials in order to achieve savings for students.

[(b) APPLICATION.—An institution of higher education that desires to obtain a grant under this section shall submit an application to the Secretary at such time, in such form, and containing or accompanied by such information, agreements, and assurances as the Secretary may reasonably require.

[(c) USE OF FUNDS.—The funds made available by a grant under this section may be used for—

[(1) purchase of course materials that the entity will make available by rent to students;

[(2) any equipment or software necessary for the conduct of a rental program;

[(3) hiring staff needed for the conduct of a rental program, with priority given to hiring enrolled undergraduate students; and

[(4) building or acquiring extra storage space dedicated to course materials for rent.

[(d) EVALUATION AND REPORT.—

[(1) EVALUATIONS BY RECIPIENTS.—After a period of time to be determined by the Secretary, each institution of higher education that receives a grant under this section shall submit a report to the Secretary on the effectiveness of their rental programs in reducing textbook costs for students.

[(2) REPORT TO CONGRESS.—Not later than September 30, 2010, the Secretary shall submit a report to Congress on the effectiveness of the textbook rental pilot programs under this section, and identify the best practices developed in such pilot programs. Such report shall contain an estimate by the Secretary of the savings achieved by students who participate in such pilot programs.

[(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal years 2009 and 2010.]

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HIGHER EDUCATION AMENDMENTS OF 1998

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**[TITLE VIII—STUDIES, REPORTS, AND
RELATED PROGRAMS**

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**[PART D—GRANTS TO STATES FOR WORK-
PLACE AND COMMUNITY TRANSITION
TRAINING FOR INCARCERATED YOUTH OF-
FENDERS**

**[SEC. 821. GRANTS TO STATES FOR WORKPLACE AND COMMUNITY
TRANSITION TRAINING FOR INCARCERATED INDIVID-
UALS.**

[(a) DEFINITION.—In this section, the term “incarcerated individual” means a male or female offender who is—

[(1) 35 years of age or younger; and

[(2) incarcerated in a State prison, including a prerelease facility.

[(b) GRANT PROGRAM.—The Secretary of Education (in this section referred to as the “Secretary”)—

[(1) shall establish a program in accordance with this section to provide grants to the State correctional education agencies in the States to assist and encourage incarcerated individuals who have obtained a secondary school diploma or its recognized equivalent to acquire educational and job skills through—

[(A) coursework to prepare such individuals to pursue a postsecondary education certificate, an associate’s degree, or bachelor’s degree while in prison;

[(B) the pursuit of a postsecondary education certificate, an associate’s degree, or bachelor’s degree while in prison; and

[(C) employment counseling and other related services, which start during incarceration and end not later than two years after release from incarceration; and

[(2) may establish such performance objectives and reporting requirements for State correctional education agencies receiving grants under this section as the Secretary determines are necessary to assess the effectiveness of the program under this section.

[(c) APPLICATION.—To be eligible for a grant under this section, a State correctional education agency shall submit to the Secretary a proposal for an incarcerated individual program that—

[(1) identifies the scope of the problem, including the number of incarcerated individuals in need of postsecondary education and career and technical training;

[(2) lists the accredited public or private educational institution or institutions that will provide postsecondary educational services;

[(3) lists the cooperating agencies, public and private, or businesses that will provide related services, such as counseling in the areas of career development, substance abuse, health, and parenting skills;

[(4) describes specific performance objectives and evaluation methods (in addition to, and consistent with, any objectives established by the Secretary under subsection (b)(2)) that the State correctional education agency will use in carrying out its proposal, including—

[(A) specific and quantified student outcome measures that are referenced to outcomes for non-program participants with similar demographic characteristics; and

[(B) measures, consistent with the data elements and definitions described in subsection (d)(1)(A), of—

[(i) program completion, including an explicit definition of what constitutes a program completion within the proposal;

[(ii) knowledge and skill attainment, including specification of instruments that will measure knowledge and skill attainment;

[(iii) attainment of employment both prior to and subsequent to release;

[(iv) success in employment indicated by job retention and advancement; and

[(v) recidivism, including such subindicators as time before subsequent offense and severity of offense;

[(5) describes how the proposed program is to be integrated with existing State correctional education programs (such as adult education, graduate education degree programs, and career and technical training) and State industry programs;

[(6) describes how the proposed program will—

[(A) deliver services under this section; and

[(B) utilize technology to deliver such services; and

[(7) describes how incarcerated individuals will be selected so that only those eligible under subsection (e) will be enrolled in postsecondary programs.

[(d) PROGRAM REQUIREMENTS.—Each State correctional education agency receiving a grant under this section shall—

[(1) annually report to the Secretary regarding—

[(A) the results of the evaluations conducted using data elements and definitions provided by the Secretary for the use of State correctional education programs;

[(B) any objectives or requirements established by the Secretary pursuant to subsection (b)(2);

[(C) the additional performance objectives and evaluation methods contained in the proposal described in subsection (c)(4) as necessary to document the attainment of project performance objectives;

[(D) how the funds provided under this section are being allocated among postsecondary preparatory education, postsecondary academic programs, and career and technical education programs; and

[(E) the service delivery methods being used for each course offering; and

[(2) provide for each student eligible under subsection (e) not more than—

[(A) \$3,000 annually for tuition, books, and essential materials; and

[(B) \$300 annually for related services such as career development, substance abuse counseling, parenting skills training, and health education.

[(e) STUDENT ELIGIBILITY.—An incarcerated individual who has obtained a secondary school diploma or its recognized equivalent shall be eligible for participation in a program receiving a grant under this section if such individual—

[(1) is eligible to be released within seven years (including an incarcerated individual who is eligible for parole within such time);

[(2) is 35 years of age or younger; and

[(3) has not been convicted of—

[(A) a “criminal offense against a victim who is a minor” or a “sexually violent offense”, as such terms are defined in the Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Act (42 U.S.C. 14071 et seq.); or

[(B) murder, as described in section 1111 of title 18, United States Code.

[(f) LENGTH OF PARTICIPATION.—A State correctional education agency receiving a grant under this section shall provide educational and related services to each participating incarcerated individual for a period not to exceed seven years, not more than two years of which may be devoted to study in a graduate education degree program or to coursework to prepare such individuals to take college level courses. Educational and related services shall start during the period of incarceration in prison or prerelease, and the related services may continue for not more than two years after release from confinement.

[(g) EDUCATION DELIVERY SYSTEMS.—State correctional education agencies and cooperating institutions shall, to the extent practicable, use high-tech applications in developing programs to meet the requirements and goals of this section.

[(h) ALLOCATION OF FUNDS.—

[(1) FISCAL YEAR 2009.—From the funds appropriated pursuant to subsection (i) for fiscal year 2009, the Secretary shall allot to each State an amount that bears the same relationship to such funds as the total number of incarcerated individuals described in paragraphs (1) and (2) of subsection (e) in the State bears to the total number of such individuals in all States.

[(2) FUTURE FISCAL YEARS.—From the funds appropriated pursuant to subsection (i) for each fiscal year after fiscal year 2009, the Secretary shall allot to each State an amount that bears the same relationship to such funds as the total number of students eligible under subsection (e) in such State bears to the total number of such students in all States.

[(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal years 2009 through 2014.

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[PART H—UNDERGROUND RAILROAD

[SEC. 841. UNDERGROUND RAILROAD EDUCATIONAL AND CULTURAL PROGRAM.

[(a) PROGRAM ESTABLISHED.—The Secretary of Education, in consultation and cooperation with the Secretary of the Interior, is authorized to make grants to 1 or more nonprofit educational organizations that are established to research, display, interpret, and collect artifacts relating to the history of the Underground Railroad, including the lessons to be drawn from such history.

[(b) GRANT AGREEMENT.—Each nonprofit educational organization awarded a grant under this section shall enter into an agreement with the Secretary of Education. Each such agreement shall require the organization—

[(1) to establish a facility to—

[(A) house, display, interpret, and communicate information regarding the artifacts and other materials related to the history of the Underground Railroad, including the lessons to be drawn from such history;

[(B) maintain such artifacts and materials; and

[(C) make the efforts described in subparagraph (A) available, including through electronic means, to elementary and secondary schools, institutions of higher education, and the general public;

[(2) to demonstrate substantial public and private support for the operation of the facility through the implementation of a public-private partnership between one or more State or local public entities and one or more private entities, which public-private partnership shall provide matching funds from non-federal sources for the support of the facility in an amount equal to or greater than four times the amount of the grant awarded under this section;

[(3) to create an endowment to fund any and all shortfalls in the costs of the on-going operations of the facility;

[(4) to establish and maintain a network of satellite centers throughout the United States to help disseminate information regarding the Underground Railroad throughout the United States, including the lessons to be drawn from the history of the Underground Railroad, if such satellite centers raise 80 percent of the funds required to establish the satellite centers from non-Federal public and private sources;

[(5) to establish and maintain the capability to electronically link the facility with other local and regional facilities that have collections and programs which interpret the history of the Underground Railroad, including the lessons to be drawn from such history; and

[(6) to submit, for each fiscal year for which the organization receives funding under this section, a report to the Secretary of Education that contains—

[(A) a description of the programs and activities supported by the funding;

[(B) the audited financial statement of the organization for the preceding fiscal year;

[(C) a plan for the programs and activities to be supported by the funding as the Secretary may require; and

[(D) an evaluation of the programs and activities supported by the funding as the Secretary may require.]

[(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$3,000,000 for fiscal year 2009 and each of the five succeeding fiscal years.]

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HIGHER EDUCATION AMENDMENTS OF 1992

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TITLE XV—RELATED PROGRAMS AND AMENDMENTS TO OTHER LAWS

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[PART E—OLYMPIC SCHOLARSHIPS

[SEC. 1543. OLYMPIC SCHOLARSHIPS.

[(a) SCHOLARSHIPS AUTHORIZED.—

[(1) IN GENERAL.—The Secretary of Education is authorized to provide financial assistance to the United States Olympic Education Center or the United States Olympic Training Center to enable such centers to provide financial assistance to athletes who are training at such centers and are pursuing postsecondary education at institutions of higher education (as such term is defined in section 481(a) of the Higher Education Act of 1965).

[(2) AWARD DETERMINATION.—The amount of the financial assistance provided to an athlete described in paragraph (1) shall be determined in accordance with criteria, and in amounts, specified in the application of the center under subsection (c). Such assistance shall not exceed the athlete's cost of attendance as determined under section 472 of the Higher Education Act of 1965 (20 U.S.C. 10871l).

[(3) INFORMATION ON DISTRIBUTION OF ASSISTANCE.—Each center providing such assistance shall annually report to the Secretary such information as the Secretary may reasonably require on the distribution of such assistance among athletes and institutions of higher education. The Secretary shall compile such reports and submit them to the Committees on Education and the Workforce and Appropriations of the House of Representatives and the Committees on Health, Education, Labor, and Pensions and Appropriations of the Senate.

[(b) ELIGIBILITY.—The Secretary of Education shall ensure that financial assistance provided under this part is available to both full-time and part-time students who are athletes at centers described in subsection (a).

[(c) APPLICATION.—Each center desiring financial assistance under this section shall submit an application to the Secretary of Education at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

[(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$5,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years to carry out this section.

[(e) DESIGNATION.—Scholarships awarded under this section shall be known as “B.J. Stupak Olympic Scholarships”.]

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EDUCATION OF THE DEAF ACT OF 1986

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TITLE I—GALLAUDET UNIVERSITY; NATIONAL TECHNICAL INSTITUTE FOR THE DEAF; OTHER PROGRAMS

PART A—GALLAUDET UNIVERSITY

* * * * *

SEC. 103. BOARD OF TRUSTEES.

(a) COMPOSITION OF THE BOARD.—(1) Gallaudet University shall be under the direction and control of a Board of Trustees, composed of [twenty-one] *twenty-three* members who shall include—

(A) [three public] *four public* members of whom (i) [one shall be a United States Senator appointed by the President of the Senate, and] *two shall be United States Senators, of whom one shall be appointed by the Majority Leader of the Senate and one shall be appointed by the Minority Leader of the Senate, and* (ii) two shall be Representatives [appointed by the Speaker of the House of Representatives], *of whom one shall be appointed by the Speaker of the House of Representatives and one shall be appointed by the Minority Leader of the House of Representatives;* and

(B) [eighteen] *nineteen* other members, all of whom shall be elected by the Board of Trustees and of whom one shall be elected pursuant to regulations of the Board of Trustees, on nomination by the Gallaudet University Alumni Association, for a term of three years.

(2) The members appointed from the Senate and House of Representatives shall be appointed for a term of two years at the beginning of each Congress, shall be eligible for reappointment, and shall serve until their successors are appointed.

(3) The Board of Trustees shall have the power to fill any vacancy in the membership of the Board except for public members. Nine trustees shall constitute a quorum to transact business. The Board of Trustees, by vote of a majority of its membership, is authorized to remove any member of their body (except the public members) who may refuse or neglect to discharge the duties of a trustee, or whose removal would, in the judgment of said majority, be to the interest and welfare of said corporation.

(b) POWERS OF THE BOARD.—The Board of Trustees is authorized to—

(1) make such rules, policies, regulations, and bylaws, not inconsistent with the Constitution and laws of the United States, as may be necessary for the good government of Gallaudet Uni-

versity, for the management of the property and funds of such corporation (including the construction of buildings and other facilities), and for the admission, instruction, care, and discharge of students;

(2) provide for the adoption of a corporate seal and for its use;

(3) fix the date of holding their annual and other meetings;

(4) appoint a president and establish policies, guidelines, and procedures related to the appointments, the salaries, and the dismissals of professors, instructors, and other employees of Gallaudet University, including the adoption of a policy of outreach and recruitment to employ and advance in employment qualified individuals with disabilities, particularly individuals who are deaf or hard of hearing;

(5) elect a chairperson and other officers and prescribe their duties and terms of office, and appoint an executive committee to consist of five members, and vest the committee with such of its powers during periods between meetings of the Board as the Board deems necessary;

(6) establish such schools, departments, and other units as the Board of Trustees deems necessary to carry out the purpose of Gallaudet University;

(7) confer such degrees and marks of honor as are conferred by colleges and universities generally, and issue such diplomas and certificates of graduation as, in its opinion, may be deemed advisable, and consistent with academic standards;

(8) subject to section 203, control expenditures of all moneys appropriated by Congress for the benefit of Gallaudet University; and

(9) control the expenditure and investment of any moneys or funds or property which Gallaudet University may have or may receive from sources other than appropriations by Congress.

SEC. 104. LAURENT CLERC NATIONAL DEAF EDUCATION CENTER.

(a) GENERAL AUTHORITY.—(1)(A) The Board of Trustees of Gallaudet University is authorized, in accordance with the agreement under section 105, to maintain and operate the Laurent Clerc National Deaf Education Center (referred to in this section as the “Clerc Center”) to carry out exemplary elementary and secondary education programs, projects, and activities for the primary purpose of developing, evaluating, and disseminating innovative curricula, instructional techniques and strategies, and materials that can be used in various educational environments serving individuals who are deaf or hard of hearing throughout the Nation.

(B) The elementary and secondary education programs described in subparagraph (A) shall serve students with a broad spectrum of needs, including students who are lower achieving academically, who come from non-English-speaking homes, who have secondary disabilities, who are members of minority groups, or who are from rural areas.

(C) The elementary and secondary education programs described in subparagraph (A) shall include—

(i) the Kendall Demonstration Elementary School, to provide day facilities for elementary education for students who are deaf from the age of onset of deafness to age fifteen, inclusive,

but not beyond the eighth grade or its equivalent, to provide such students with the vocational, transitional, independent living, and related services they need to function independently, and to prepare such students for high school and other secondary study; and

(ii) the Model Secondary School for the Deaf, to provide day and residential facilities for secondary education for students who are deaf from grades nine through twelve, inclusive, to provide such students with the vocational, transitional, independent living, and related services they need to function independently, and to prepare such students for college, other post-secondary opportunities, or the workplace.

(2) The Model Secondary School for the Deaf may provide residential facilities for students enrolled in the school—

(A) who live beyond a reasonable commuting distance from the school; or

(B) for whom such residency is necessary for them to receive a free appropriate public education within the meaning of part B of the Individuals with Disabilities Education Act.

(b) ADMINISTRATIVE REQUIREMENTS.—(1) The Clerc Center shall—

(A) provide technical assistance and outreach throughout the Nation to meet the training and information needs of parents of infants, children, and youth who are deaf or hard of hearing; and

(B) provide technical assistance and training to personnel for use in teaching (i) students who are deaf or hard of hearing, in various educational environments, and (ii) students who are deaf or hard of hearing with a broad spectrum of needs as described in subsection (a).

(2) To the extent possible, the Clerc Center shall provide the services required under paragraph (1)(B) in an equitable manner, based on the national distribution of students who are deaf or hard of hearing in educational environments as determined by the Secretary for purposes of section 618(a)(1) of the Individuals with Disabilities Education Act. Such educational environments shall include—

(A) regular classes;

(B) resource rooms;

(C) separate classes;

(D) separate, public or private, nonresidential schools; and

(E) separate, public or private, residential schools and homebound or hospital environments.

(3) If a local educational agency, educational service agency, or State educational agency refers a child to, or places a child in, one of the elementary or secondary education programs to meet its obligation to make available a free appropriate public education under part B of the Individuals with Disabilities Education Act, the agency or unit shall be responsible for ensuring that the special education and related services provided to the child by the education program are in accordance with part B of that Act and that the child is provided the rights and procedural safeguards under section 615 of that Act.

(4) If the parents or guardian places a child in one of the elementary or secondary education programs, the University shall—

(A) notify the appropriate local educational agency, educational service agency, or State educational agency of that child's attendance in the program;

(B) work with local educational agencies, educational service agencies, and State educational agencies, where appropriate, to ensure a smooth transfer of the child to and from that program; and

(C) provide the child a free appropriate public education in accordance with part B of the Individuals with Disabilities Education Act and procedural safeguards in accordance with the following provisions of section 615 of such Act:

(i) Paragraphs (1), and (3) through (8) of subsection (b).

(ii) Subsections (c) through (g).

(iii) Subsection (h), except for the matter in paragraph (4) pertaining to transmission of findings and decisions to a State advisory panel.

(iv) Paragraphs (1) and (2) of subsection (i).

(v) Subsection (j)—

(I) except that such subsection shall not be applicable to a decision by the University to refuse to admit a child; or

(II) to dismiss a child, except that, before dismissing any child, the University shall give at least 60 days written notice to the child's parents and to the local educational agency in which the child resides, unless the dismissal involves a suspension, expulsion, or other change in placement covered under section 615(k).

(vi) Subsections (k) through (o).

[(5) The University, for purposes of the elementary and secondary education programs carried out at the Clerc Center, shall—

[(A)(i) select challenging State academic content standards, aligned academic achievement standards, and State academic assessments of a State, adopted and implemented, as appropriate, pursuant to paragraphs (1) and (2) of section 1111(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(1) and (2)) and approved by the Secretary; and

[(ii) implement such standards and assessments for such programs by not later than the beginning of the 2016–2017 academic year;

[(B) adopt the accountability system, consistent with section 1111(c) of such Act, of the State from which standards and assessments are selected under subparagraph (A)(i); and

[(C) publicly report the results of the academic assessments implemented under subparagraph (A), except where such reporting would not yield statistically reliable information or would reveal personally identifiable information about an individual student, and the results of the annual evaluation of the programs at the Clerc Center, as determined under subparagraph (B).]

(5) *The University, for purposes of the elementary and secondary education programs carried out by the Clerc Center, shall—*

(A)(i)(I) provide an assurance to the Secretary that it has adopted and is implementing challenging State academic

standards that meet the requirements of section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(1));

(II) demonstrate to the Secretary that the University is implementing a set of high-quality student academic assessments in mathematics, reading or language arts, and science, and any other subjects chosen by the University, that meet the requirements of section 1111(b)(2) of such Act (20 U.S.C. 6311(b)(2)); and

(III) demonstrate to the Secretary that the University is implementing an accountability system consistent with section 1111(c) of such Act (20 U.S.C. 6311(c)); or

(ii)(I) select the challenging State academic standards and State academic assessments of a State, adopted and implemented, as appropriate, pursuant to paragraphs (1) and (2) of section 1111(b) of such Act (20 U.S.C. 6311(b)); and

(II) adopt the accountability system, consistent with section 1111(c) of such Act (20 U.S.C. 6311(c)), of such State; and

(B) publicly report, except in a case in which such reporting would not yield statistically reliable information or would reveal personally identifiable information about an individual student—

(i) the results of the academic assessments implemented under subparagraph (A); and

(ii) the results of the annual evaluation of the programs at the Clerc Center, as determined using the accountability system adopted under subparagraph (A).

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PART B—NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

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SEC. 112. AGREEMENT FOR THE NATIONAL TECHNICAL INSTITUTE FOR THE DEAF.

(a) **GENERAL AUTHORITY.**—(1) The Secretary is authorized to establish or continue an agreement with an institution of higher education for the establishment and operation, including construction and equipment, of a National Technical Institute for the Deaf.

(2) The Secretary and the institution of higher education with which the Secretary has an agreement under this section—

(A) shall periodically assess the need for modification of the agreement; and

(B) shall periodically update the agreement as determined necessary by the Secretary or the institution.

(b) **PROVISIONS OF AGREEMENT.**—The agreement shall—

(1) provide that Federal funds appropriated for the benefit of NTID will be used only for the purposes for which appropriated and in accordance with the applicable provisions of this Act and the agreement made pursuant thereto;

(2) provide that the Board of Trustees or other governing body of the institution, subject to the approval of the Secretary, will appoint an advisory group to advise the Director of NTID in formulating and carrying out the basic policies governing its

establishment and operation, which group shall include individuals who are professionally concerned with education and technical training at the postsecondary school level, persons who are professionally concerned with activities relating to education and training of individuals who are deaf, and members of the public familiar with the need for services provided by NTID;

(3) provide that the Board of Trustees or other governing body of the institution will prepare and submit to the Secretary, not later than June 1 following the fiscal year for which the report is submitted, an annual report containing an accounting of all indirect costs paid to the institution of higher education under the agreement with the Secretary, which accounting the Secretary shall transmit to the Committee on [Education and Labor] *Education and the Workforce* of the House of Representatives and to the Committee on Health, Education, Labor, and Pensions of the Senate, with such comments and recommendations as the Secretary may deem appropriate;

(4) include such other conditions as the Secretary deems necessary to carry out the purposes of this part;

(5) provide that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by Federal funds appropriated for the benefit of NTID will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code, commonly referred to as the Davis-Bacon Act; except that the Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (5 U.S.C. App.) and section 3145 of title 40, United States Code; and

(6) establish a policy of outreach and recruitment to employ and advance in employment qualified individuals with disabilities, particularly individuals who are deaf or hard of hearing.

(c) LIMITATION.—If, within twenty years after the completion of any construction (except minor remodeling or alteration) for which such funds have been paid—

(1) the facility ceases to be used for the purposes for which it was constructed or the agreement is terminated, unless the Secretary determines that there is good cause for releasing the institution from its obligation, or

(2) the institution ceases to be the owner of the facility, the United States shall be entitled to recover from the applicant or other owner of the facility an amount which has the same ratio with respect to the current market value of the facility as the amount of Federal funds expended for construction of such facility bears to the total cost of construction of the facility. The current market value of the facility shall be determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated.

[PART C—OTHER PROGRAMS

SEC. 121. CULTURAL EXPERIENCES GRANTS.

[(a) IN GENERAL.—The Secretary is authorized to, on a competitive basis, make grants to, and enter into contracts and cooperative agreements with, eligible entities to support the activities described in subsection (b).

[(b) ACTIVITIES.—In carrying out this section, the Secretary shall support activities providing cultural experiences, through appropriate nonprofit organizations with a demonstrated proficiency in providing such activities, that—

[(1) enrich the lives of deaf and hard-of-hearing children and adults;

[(2) increase public awareness and understanding of deafness and of the artistic and intellectual achievements of deaf and hard-of-hearing persons; or

[(3) promote the integration of hearing, deaf, and hard-of-hearing persons through shared cultural, educational, and social experiences.

[(c) APPLICATIONS.—An eligible entity that desires to receive a grant, or enter into a contract or cooperative agreement, under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

[(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.]

TITLE II—GENERAL PROVISIONS

* * * * *

SEC. 203. AUDIT.

(a) [GENERAL ACCOUNTING] *GOVERNMENT ACCOUNTABILITY OFFICE AUTHORITY*.—All financial transactions and accounts of the corporation or institution of higher education, as the case may be, in connection with the expenditure of any moneys appropriated by any law of the United States—

(1) for the benefit of Gallaudet University or for the construction of facilities for its use; or

(2) for the benefit of the National Technical Institute for the Deaf or for the construction of facilities for its use,

shall be settled and adjusted in the [General Accounting] *Government Accountability Office*.

(b) INDEPENDENT FINANCIAL AND COMPLIANCE AUDIT.—

(1) IN GENERAL.—Gallaudet University shall have an annual independent financial and compliance audit made of the programs and activities of the University, including the national mission and school operations of the elementary and secondary education programs at Gallaudet. The institution of higher education with which the Secretary has an agreement under section 112 shall have an annual independent financial and compliance audit made of the programs and activities of such institution of higher education, including NTID, and containing

specific schedules and analyses for all NTID funds, as determined by the Secretary.

(2) COMPLIANCE.—As used in paragraph (1), compliance means compliance with sections 102(b), 105(b)(4), 112(b)(5), 203(c), 207(b)(2), subsections (c) through (f) of section 207, and subsections (a), (b), and (c) of section 209.

(3) SUBMISSION OF AUDITS.—A copy of each audit described in paragraph (1) shall be provided to the Secretary and the Committee on [Education and Labor] *Education and the Workforce* of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate within 15 days of acceptance of the audit by the University or the institution authorized to establish and operate the NTID under section 112(a), as the case may be, but not later than January 10 of each year.

(c) LIMITATIONS REGARDING EXPENDITURE OF FUNDS.—

(1) IN GENERAL.—No funds appropriated under this Act for Gallaudet University, including the Kendall Demonstration Elementary School and the Model Secondary School for the Deaf, or for the National Technical Institute for the Deaf may be expended on the following:

(A) Alcoholic beverages.

(B) Goods or services for personal use.

(C) Housing and personal living expenses (but only to the extent such expenses are not required by written employment agreement).

(D) Lobbying, except that nothing in this subparagraph shall be construed to prohibit the University and NTID from educating the Congress, the Secretary, and others regarding programs, projects, and activities conducted at those institutions.

(E) Membership in country clubs and social or dining clubs and organizations.

(2) POLICIES.—

(A) Not later than 180 days after the date of the enactment of the Education of the Deaf Act Amendments of 1992, the University and NTID shall develop policies, to be applied uniformly, for the allowability of expenditures for each institution. These policies should reflect the unique nature of these institutions. The principles established by the Office of Management and Budget for costs of educational institutions may be used as guidance in developing these policies. General principles relating to allowability and reasonableness of all costs associated with the operations of the institutions shall be addressed. These policies shall be submitted to the Secretary for review and comments, and to the Committee on [Education and Labor] *Education and the Workforce* of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.

(B) Policies under subparagraph (A) shall include the following:

(i) Noninstitutional professional activities.

(ii) Fringe benefits.

(iii) Interest on loans.

- (iv) Rental cost of buildings and equipment.
 - (v) Sabbatical leave.
 - (vi) Severance pay.
 - (vii) Travel.
 - (viii) Royalties and other costs for uses of patents.
- (C) The Secretary is not authorized to add items to those specified in subparagraph (B).

SEC. 204. REPORTS.

The Board of Trustees of Gallaudet University and the Board of Trustees or other governing body of the institution of higher education with which the Secretary has an agreement under section 112 shall prepare and submit an annual report to the Secretary, and to the Committee on [Education and Labor] *Education and the Workforce* of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate, not later than 100 days after the end of each fiscal year, which shall include the following:

(1) The number of students during the preceding academic year who enrolled and whether these were first-time enrollments, who graduated, who found employment, or who left without completing a program of study, reported under each of the programs of the University (elementary, secondary, undergraduate, and graduate) and of NTID.

(2) For the preceding academic year, and to the extent possible, the following data on individuals who are deaf and from minority backgrounds and who are students (at all educational levels) or employees:

(A) The number of students enrolled full- and part-time.

(B) The number of these students who completed or graduated from each of the educational programs.

(C) The disposition of these students on the date that is one year after the date of graduation or completion of programs at NTID and at the University and its elementary and secondary schools in comparison to students from non-minority backgrounds.

(D) The number of students needing and receiving support services (such as tutoring and counseling) at all educational levels.

(E) The number of recruitment activities by type and location for all educational levels.

(F) Employment openings/vacancies and grade level/type of job and number of these individuals that applied and that were hired.

(G) Strategies (such as parent groups and training classes in the development of individualized education programs) used by the elementary and secondary programs and the extension centers to reach and actively involve minority parents in the educational programs of their children who are deaf or hard of hearing and the number of parents who have been served as a result of these activities.

(3)(A) A summary of the annual audited financial statements and auditor's report of the University, as required under section 203, and (B) a summary of the annual audited financial statements and auditor's report of NTID programs and activi-

ties, and such supplementary schedules presenting financial information for NTID for the end of the Federal fiscal year as determined by the Secretary.

(4) For the preceding fiscal year, a statement showing the receipts of the University and NTID and from what Federal sources, and a statement showing the expenditures of each institution by function, activity, and administrative and academic unit.

(5) A statement showing the use of funds (both corpus and income) provided by the Federal Endowment Program under section 207.

(6) A statement showing how such Endowment Program funds are invested, what the gains or losses (both realized and unrealized) on such investments were for the most recent fiscal year, and what changes were made in investments during that year.

(7) Such additional information as the Secretary may consider necessary.

SEC. 205. MONITORING, EVALUATION, AND REPORTING.

(a) **ACTIVITIES.**—The Secretary shall conduct monitoring and evaluation activities of the education programs and activities and the administrative operations of the University (including the elementary, secondary, undergraduate, and graduate programs) and of NTID. The Secretary may also conduct studies related to the provision of preschool, elementary, secondary, and postsecondary education and other related services to individuals who are deaf or hard of hearing. In carrying out the responsibilities described in this section, the Secretary is authorized to employ such consultants as may be necessary pursuant to section 3109 of title 5, United States Code.

(b) **REPORT.**—The Secretary shall annually transmit information to Congress on the monitoring and evaluation activities pursuant to subsection (a), together with such recommendations, including recommendations for legislation, as the Secretary may consider necessary.

[(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2009 through 2014 to carry out the monitoring and evaluation activities authorized under this section.]

* * * * *

SEC. 207. FEDERAL ENDOWMENT PROGRAMS FOR GALLAUDET UNIVERSITY AND THE NATIONAL TECHNICAL INSTITUTE FOR THE DEAF.

(a) **ESTABLISHMENT OF PROGRAMS.**—

(1) The Secretary and the Board of Trustees of Gallaudet University are authorized to establish the Gallaudet University Federal Endowment Fund as a permanent endowment fund, in accordance with this section, for the purpose of promoting the financial independence of the University. The Secretary and the Board of Trustees may enter into such agreements as may be necessary to carry out the purposes of this section with respect to the University.

(2) The Secretary and the Board of Trustees or other governing body of the institution of higher education with which

the Secretary has an agreement under section 112 are authorized to establish the National Technical Institute for the Deaf Federal Endowment Fund as a permanent endowment fund, in accordance with this section, for the purpose of promoting the financial independence of NTID. The Secretary and the Board or other governing body may enter into such agreements as may be necessary to carry out the purposes of this section with respect to NTID.

(b) **[FEDERAL PAYMENTS] PAYMENTS.—**

[(1) The Secretary shall, consistent with this section, make payments to the Federal endowment funds established under subsection (a) from amounts appropriated under subsection (h) for the fund involved.]

[(2) Subject to the availability of appropriations, the Secretary shall make payments to each Federal endowment fund in amounts equal to sums contributed to the fund from non-Federal sources during the fiscal year in which the appropriations are made available (excluding transfers from other endowment funds of the institution involved).]

(1) From amounts provided by the Secretary from funds appropriated under subsections (a) and (b) of section 212, respectively, the University and NTID may make payments, in accordance with this section, to the Federal endowment fund of the institution involved.

(2) Subject to paragraph (3), in any fiscal year, the total amount of payments made under paragraph (1) to the Federal endowment fund may not exceed the total amount contributed to the fund from non-Federal sources during such fiscal year.

(3) For purposes of paragraph (2), the transfer of funds by an institution involved to the Federal endowment fund from another endowment fund of such institution shall not be considered a contribution from a non-Federal source.

(c) **INVESTMENTS.—**

(1) Except as provided in subsection (e), the University and NTID, respectively, shall invest the Federal contribution of its Federal endowment fund corpus and income in instruments and securities offered through one or more cooperative service organizations of operating educational organizations under section 501(f) of the Internal Revenue Code of 1986, or in low-risk instruments and securities in which a regulated insurance company may invest under the laws of the State in which the institution involved is located.

(2) In managing the investment of its Federal endowment fund, the University or NTID shall exercise the judgment and care, under the prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of that person's own business affairs.

(3) Neither the University nor NTID may invest its Federal endowment fund corpus or income in real estate, or in instruments or securities issued by an organization in which an executive officer, a member of the Board of Trustees of the University or of the host institution, or a member of the advisory group established under section 112 is a controlling shareholder, director, or owner within the meaning of Federal securities laws and other applicable laws. Neither the University

nor NTID may assign, hypothecate, encumber, or create a lien on the Federal endowment fund corpus without specific written authorization of the Secretary.

(d) WITHDRAWALS AND EXPENDITURES.—

(1) Except as provided in paragraph (3)(B), neither the University nor NTID may withdraw or expend any of the corpus of its Federal endowment fund.

(2)(A) The University and NTID, respectively, may withdraw or expend the income of its Federal endowment fund only for expenses necessary to the operation of that institution, including expenses of operations and maintenance, administration, academic and support personnel, construction and renovation, community and student services programs, technical assistance, and research.

(B) Neither the University nor NTID may withdraw or expend the income of its Federal endowment fund for any commercial purpose.

(C) The University and NTID shall maintain records of the income generated from its respective Federal endowment fund for the prior fiscal year.

(3)(A) Except as provided in subparagraph (B), the University and NTID, respectively, may, on an annual basis, withdraw or expend not more than 50 percent of the income generated from its Federal endowment fund from the current fiscal year.

(B) The Secretary may permit the University or NTID to withdraw or expend a portion of its Federal endowment fund corpus or more than 50 percent of the income generated from its Federal endowment fund from the prior fiscal year if the institution involved demonstrates, to the Secretary's satisfaction, that such withdrawal or expenditure is necessary because of—

- (i) a financial emergency, such as a pending insolvency or temporary liquidity problem;
- (ii) a life-threatening situation occasioned by natural disaster or arson; or
- (iii) another unusual occurrence or exigent circumstance.

(e) INVESTMENT AND EXPENDITURE FLEXIBILITY.—The corpus associated with a **【Federal payment】** *payment under subsection (b)* (and its non-Federal match) made to the Federal endowment fund of the University or NTID shall not be subject to the investment limitations of subsection (c)(1) after 10 fiscal years following the fiscal year in which the funds are matched, and the income generated from such corpus after the tenth fiscal year described in this subsection shall not be subject to such investment limitations or to the withdrawal and expenditure limitations of subsection (d)(3).

(f) RECOVERY OF PAYMENTS.—After notice and an opportunity for a hearing, the Secretary is authorized to recover any **【Federal payments】** *payments* under this section if the University or NTID—

(1) makes a withdrawal or expenditure of the corpus or income of its Federal endowment fund that is not consistent with this section;

(2) fails to comply with the investment standards and limitations under this section; or

(3) fails to account properly to the Secretary concerning the investment of or expenditures from the Federal endowment fund corpus or income.

(g) DEFINITIONS.—As used in this section:

(1) The term “corpus”, with respect to a Federal endowment fund under this section, means an amount equal to the [Federal payments to such fund] *payments made under subsection (b)*, amounts contributed to the fund from non-Federal sources, and appreciation from capital gains and reinvestment of income.

(2) The term “Federal endowment fund” means a fund, or a tax-exempt foundation, established and maintained pursuant to this section by the University or NTID, as the case may be, for the purpose of generating income for the support of the institution involved.

(3) The term “income”, with respect to a Federal endowment fund under this section, means an amount equal to the dividends and interest accruing from investments of the corpus of such fund.

(4) The term “institution involved” means the University or NTID, as the case may be.

[(h) AUTHORIZATION OF APPROPRIATIONS.—

[(1) In the case of the University, there are authorized to be appropriated for the purposes of this section such sums as may be necessary for each of the fiscal years 2009 through 2014.

[(2) In the case of NTID, there are authorized to be appropriated for the purposes of this section such sums as may be necessary for each of the fiscal years 2009 through 2014.

[(3) Amounts appropriated under paragraph (1) or (2) shall remain available until expended.]

[(i) (h) EFFECTIVE DATE.—The provisions of this section shall take effect as if included in this Act as enacted on August 4, 1986.

SEC. 208. OVERSIGHT AND EFFECT OF AGREEMENTS.

(a) OVERSIGHT ACTIVITIES.—Nothing in this Act shall be construed to diminish the oversight activities of the Committee on [Education and Labor] *Education and the Workforce* of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate with respect to any agreement entered into between the Secretary of Education and Gallaudet University, and the institution of higher education with which the Secretary has an agreement under part B of title I.

(b) CONSTRUCTION OF AGREEMENTS.—The agreements described in subsection (a) of this section shall continue in effect, to the extent that such agreements are not inconsistent with this Act.

* * * * *

SEC. 210. RESEARCH PRIORITIES.

(a) RESEARCH PRIORITIES.—Gallaudet University and the National Technical Institute for the Deaf shall each establish and disseminate priorities for their national mission with respect to deafness related research, development, and demonstration activities, that reflect public input, through a process that includes consumers, constituent groups, and the heads of other federally funded programs. The priorities for the University shall include activities

conducted as part of the University's elementary and secondary education programs under section 104.

(b) RESEARCH REPORTS.—The University and NTID shall each prepare and submit an annual research report, to the Secretary, the Committee on [Education and Labor] *Education and the Workforce* of the House of Representatives, and the Committee on Health, Education, Labor, and Pensions of the Senate, not later than January 10 of each year, that shall include—

(1) a summary of the public input received as part of the establishment and dissemination of priorities required by subsection (a), and the University's and NTID's response to the input; and

(2) a summary description of the research undertaken by the University and NTID, the start and projected end dates for each research project, the projected cost and source or sources of funding for each project, and any products resulting from research completed in the prior fiscal year.

[SEC. 211. NATIONAL STUDY ON THE EDUCATION OF THE DEAF.

[(a) CONDUCT OF STUDY.—

[(1) IN GENERAL.—The Secretary shall establish a commission on the education of the deaf (in this section referred to as the “commission”) to conduct a national study on the education of the deaf, to identify education-related barriers to successful postsecondary education experiences and employment for individuals who are deaf, and those education-related factors that contribute to successful postsecondary education experiences and employment for individuals who are deaf.

[(2) DEFINITION.—In this section the term “deaf”, when used with respect to an individual, means an individual with a hearing impairment, including an individual who is hard of hearing, an individual deafened later in life, and an individual who is profoundly deaf.

[(b) PUBLIC INPUT AND CONSULTATION.—

[(1) IN GENERAL.—In conducting such study, the commission shall obtain input from the public. To obtain such input, the commission shall—

[(A) publish a notice with an opportunity for comment in the Federal Register;

[(B) consult with individuals and organizations representing a wide range of perspectives on deafness-related issues, including organizations representing individuals who are deaf, parents of children who are deaf, educators, and researchers; and

[(C) take such other action as the commission deems appropriate, which may include holding public meetings.

[(2) STRUCTURED OPPORTUNITIES.—The commission shall provide structured opportunities to receive and respond to the viewpoints of the individuals and organizations described in paragraph (1)(B).

[(c) REPORT.—The commission shall report to the Secretary and Congress not later than 18 months after the date of the enactment of the Higher Education Opportunity Act regarding the results of the study. The report shall contain—

[(1) recommendations relating to education-related factors that contribute to successful postsecondary education experi-

ences and employment for individuals who are deaf, including recommendations for legislation, that the commission deems appropriate; and

[(2) a detailed summary of the input received under subsection (b) and the ways in which the report addresses such input.

[(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2009 and 2010 to carry out the provisions of this section.]

SEC. 212. AUTHORIZATION OF APPROPRIATIONS.

(a) GALLAUDET UNIVERSITY.—There are authorized to be appropriated [such sums as may be necessary for each of the fiscal years 2009 through 2014] *\$121,275,000 for each of the fiscal years 2019 through 2024* to carry out the provisions of title I and this title, relating to—

- (1) Gallaudet University;
- (2) Kendall Demonstration Elementary School; and
- (3) the Model Secondary School for the Deaf.

(b) NATIONAL TECHNICAL INSTITUTE FOR THE DEAF.—There are authorized to be appropriated [such sums as may be necessary for each of the fiscal years 2009 through 2014] *\$70,016,000 for each of the fiscal years 2019 through 2024* to carry out the provisions of title I and this title relating to the National Technical Institute for the Deaf.

**TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES
ASSISTANCE ACT OF 1978**

SECTION 1. SHORT TITLE.

This Act may be cited as the “Tribally Controlled Colleges and Universities Assistance Act of 1978”.

DEFINITIONS

SEC. 2. (a) For purposes of this Act, the term—

- (1) “Indian” means a person who is a member of an Indian tribe;
- (2) “Indian tribe” means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation as defined in or established pursuant to the Alaskan Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;
- (3) “Secretary”, unless otherwise designated, means the Secretary of the Interior;
- (4) “tribally controlled college or university” means an institution of higher education which is formally controlled, or has been formally sanctioned, or chartered, by the governing body of an Indian tribe or tribes, except that no more than one such institution shall be recognized with respect to any such tribe;
- (5) “institution of higher education” means an institution of higher education as defined by section 101 of the Higher Education Act of 1965, except that clause (2) of such section shall

not be applicable and the reference to Secretary in clause (5)(A) of such section shall be deemed to refer to the Secretary of the Interior;

(6) “national Indian organization” means an organization which the Secretary finds is nationally based, represents a substantial Indian constituency, and has expertise in the fields of tribally controlled colleges and universities and Indian higher education;

(7) “Indian student” means a student who is—

(A) a member of an Indian tribe; or

(B) a biological child of a member of an Indian tribe, living or deceased; *and*

(8) “Indian student count” means a number equal to the total number of Indian students enrolled in each tribally controlled college or university, determined in a manner consistent with subsection (b) of this section on the basis of the quotient of the sum of the credit hours of all Indian students so enrolled, divided by twelve【; and】.

【(9) “satisfactory progress toward a degree or certificate” has the meaning given to such term by the institution at which the student is enrolled.】

(b) The following conditions shall apply for the purpose of determining the Indian student count pursuant to subsection (a)(8):

【(1) Such number shall be calculated on the basis of the registrations of Indian students as in effect at the conclusion of the third week of each academic term.】

(1) *Such number shall be calculated based on the number of Indian students who are enrolled—*

(A) *at the conclusion of the third week of each academic term; or*

(B) *on the fifth day of a shortened program beginning after the conclusion of the third full week of an academic term.*

(2) Credits earned in classes offered during a summer term shall be counted toward the computation of the Indian student count in the succeeding fall term.

(3) Credits earned by any student who has not obtained a high school degree or its equivalent shall be counted toward the computation of the Indian student count if the institution at which the student is in attendance has established criteria for the admission of such student on the basis of the student’s ability to benefit from the education or training offered. The institution shall be presumed to have established such criteria if the admission procedures for such studies include counseling or testing that measures the student’s aptitude to successfully complete the course in which the student has enrolled. No credits earned by such student 【for purposes of obtaining】 *solely for the purpose of obtaining* a high school degree or its equivalent shall be counted toward the computation of the Indian student count.

(4) Indian students earning credits in any continuing education program of a tribally controlled college or university shall be included in determining the sum of all credit hours.

(5) Eligible credits earned in a continuing education program—

(A) shall be determined as one credit for every ten contact hours in the case of an institution on a quarter system, or 15 contact hours in the case of an institution on a semester system, of participation in an organized continuing education experience under responsible sponsorship, capable direction, and qualified instruction, as described in the criteria established by the International Association for Continuing Education and Training; and

(B) shall be limited to ten percent of the Indian student count of a tribally controlled college or university.

(6) *Enrollment data from the prior-prior academic year shall be used.*

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) *TITLES I AND IV.—There are authorized to be appropriated \$57,412,000 for each of fiscal years 2019 through 2024 to carry out titles I and IV.*

(b) *TITLE V.—There are authorized to be appropriated \$7,414,000 for each of fiscal years 2019 through 2024 to carry out title V.*

TITLE I TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES—TRIBALLY CONTROLLED [COLLEGES OR UNIVERSITIES] COLLEGES AND UNIVERSITIES

PURPOSE

SEC. 101. It is the purpose of this title to provide grants for the operation and improvement of tribally controlled [colleges or universities] *colleges and universities* to insure continued and expanded educational opportunities for Indian students, and to allow for the improvement and expansion of the physical resources of such institutions.

GRANTS AUTHORIZED

SEC. 102. (a) The Secretary shall, subject to appropriations, make grants pursuant to this title to tribally controlled [colleges or universities] *colleges and universities* to aid in the postsecondary education of Indian students.

(b) Grants made pursuant to this title shall go into the general operating funds of the institution to defray, at the determination of the tribally controlled college or university, expenditures for academic, educational, and administrative purposes and for the operation and maintenance of the the college or university. Funds provided pursuant to this title shall not be used in connection with religious worship or sectarian instruction.

ELIGIBLE GRANT RECIPIENTS

SEC. 103. To be eligible for assistance under this title, a tribally controlled college or university must be one which—

(1) is governed by a board of directors or board of trustees a majority of which are Indians;

(2) demonstrates adherence to stated goals, a philosophy, or a plan of operation which is directed to meet the needs of Indians;

(3) if in operation for more than one year, has students a majority of whom are Indians; and

(4)(A) is accredited by a nationally recognized accrediting agency or association determined by the Secretary of Education to be a reliable authority with regard to the quality of training offered; or

(B) according to such an agency or association, is making reasonable progress toward accreditation.

【PLANNING GRANTS

【SEC. 104. (a) The Secretary shall establish a program in accordance with this section to make grants to tribes and tribal entities (1) to conduct planning activities for the purpose of developing proposals for the establishment of tribally controlled【colleges or universities】*colleges and universities*, or (2) to determine the need and potential for the establishment of such【colleges or universities】*colleges and universities*.

【(b) The Secretary shall establish, by regulation, procedures for the submission and review of applications for grants under this section.

【(c) From the amount appropriated to carry out this title for any fiscal year (exclusive of sums appropriated for section 105), the Secretary shall reserve (and expend) an amount necessary to make grants to five applicants under this section of not more than \$15,000 each, or an amount necessary to make grants in that amount to each of the approved applicants, if less than five apply and are approved.】

SEC. 105. TECHNICAL ASSISTANCE CONTRACTS.

(a) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall provide, upon request from a tribally controlled college or university which is receiving funds under section 108, technical assistance either directly or through contract.

(2) DESIGNATED ORGANIZATION.—The Secretary shall require that a contract for technical assistance under paragraph (1) shall be awarded to an organization designated by the tribally controlled college or university to be assisted.

(b) EFFECT OF SECTION.—No authority to enter into contracts provided by this section shall be effective except to the extent authorized in advance by appropriations Acts.

ELIGIBILITY STUDIES

SEC. 106. (a) The Secretary is authorized to enter into an agreement with the Secretary of Education to assist the 【Bureau of Indian Affairs】 *Bureau of Indian Education* in developing plans, procedures, and criteria for conducting the eligibility studies required by this section. Such agreement shall provide for continuing technical assistance in the conduct of such studies.

(b) The Secretary, within thirty days after a request by any Indian tribe, shall initiate a eligibility study to determine whether there is justification to encourage and maintain a tribally controlled college or university, and, upon a positive determination, shall aid in the preparation of grant applications and related budgets which will insure successful operation of such an institution. Such a positive determination shall be effective for the fiscal year succeeding the fiscal year in which such determination is made.

(c) Funds to carry out the purposes of this section for any fiscal year may be drawn from either—

- (1) general administrative appropriations to the Secretary made after the date of enactment of this Act for such fiscal year; or
- (2) not more than 5 per centum of the funds appropriated to carry out section 107 for such fiscal year.

GRANTS TO TRIBALLY CONTROLLED **COLLEGES OR UNIVERSITIES**
COLLEGES AND UNIVERSITIES

SEC. 107. (a) Grants shall be made under this title only in response to applications by tribally controlled community **colleges or universities** *colleges and universities*. Such applications shall be submitted at such time, in such manner, and will contain or be accompanied by such information as the Secretary may reasonably require pursuant to regulations. Such application shall include a description of recordkeeping procedures for the expenditure of funds received under this Act which will allow the Secretary to audit and monitor programs conducted with such funds. The Secretary shall not consider any grant application unless a eligibility study has been conducted under section 106 and it has been found that the applying college or university will service a reasonable student population.

(b) The Secretary shall consult with the Secretary of Education to determine the reasonable number of students required to support a tribally controlled college or university. Consideration shall be given to such factors as tribal and cultural differences, isolation, the presence of alternate education sources, and proposed curriculum.

[(c) Priority in grants shall be given to institutions which are operating on the date of enactment of this Act and which have a history of service to the Indian people. In the first year for which funds are appropriated to carry out this section, the number of grants shall be limited to not less than eight nor more than fifteen.]

[(d)] (c) In making grants pursuant to this section, the Secretary shall, to the extent practicable, consult with national Indian organizations and with tribal governments chartering the institutions being considered.

AMOUNT OF GRANTS

SEC. 108. (a) REQUIREMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2) and section 111, the Secretary shall, subject to appropriations, grant for each academic year to each tribally controlled college or university having an application approved by the Secretary an amount equal to the product obtained by multiplying—

- (A) the Indian student count at such college or university during the academic year preceding the academic year for which such funds are being made available, as determined by the Secretary in accordance with section 2(a)(8); and
- (B) \$8,000, as adjusted annually for inflation.

(2) EXCEPTION.—The amount of a grant under paragraph (1) shall not exceed an amount equal to the total cost of the education program provided by the applicable tribally controlled college or university.

(b)(1) The Secretary shall make payments, pursuant to grants under this Act, of not less than 95 percent **of the funds available for allotment by October 15 or no later than 14 days after appropriations become available** *of the amounts appropriated for any fiscal year on or before July 1 of that fiscal year*, with a payment equal to the remainder of any grant to which a grantee is entitled to be made no later than **January 1** *September 30* of each fiscal year.

(2) Notwithstanding any other provision of law, the Secretary shall not, in disbursing funds provided under this title, use any method of payment which was not used during fiscal year 1987 in the disbursement of funds provided under this title.

(3)(A) Notwithstanding any provision of law other than subparagraph (B), any interest or investment income that accrues on any funds provided under this title after such funds are paid to the tribally controlled college or university and before such funds are expended for the purpose for which such funds were provided under this title shall be the property of the tribally controlled college or university and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, to the tribally controlled college or university under any provision of Federal law.

(B) All interest or investment income described in subparagraph (A) shall be expended by the tribally controlled college or university by no later than the close of the fiscal year succeeding the fiscal year in which such interest or investment income accrues.

(4) Funds provided under this title may only be invested by the tribally controlled college or university in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States.

(c)(1) Each institution receiving payments under this title shall annually provide to the Secretary an accurate and detailed accounting of its operating and maintenance expenses and such other information concerning costs as the Secretary may request.

(2) The Secretary shall, in consultation with the National Center for Education Statistics, establish a data collection system for the purpose of obtaining accurate information with respect to the needs and costs of operation and maintenance of tribally controlled **colleges or universities** *colleges and universities*.

(d) Nothing in this section shall be construed as interfering with, or suspending the obligation of the Bureau for, the implementation of all legislative provisions enacted prior to April 28, 1988, specifically including those of Public Law 98–192.

EFFECT ON OTHER PROGRAMS

SEC. **[109]**. (a) Except as specifically provided in this title, eligibility for assistance under this title shall not, by itself, preclude the eligibility of any tribally controlled college or university to receive Federal financial assistance under any program authorized under the Higher Education Act of 1965 or any other applicable program

for the benefit of institutions of higher education, community colleges, or postsecondary educational institutions.

(b)(1) The amount of any grant for which tribally controlled [colleges or universities] *colleges and universities* are eligible under section 108 shall not be altered because of funds allocated to any such [colleges or universities] *colleges and universities* from funds appropriated under the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13).

(2) No tribally controlled college or university shall be denied funds appropriated under such Act of November 2, 1921, because of the funds it receives under this Act.

(3) No tribally controlled college or university for which a tribe has designated a portion of the funds appropriated for the tribe from funds appropriated under the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13) may be denied a contract for such portion under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) (except as provided in that Act), or denied appropriate contract support to administer such portion of the appropriated funds.

(c) For the purposes of sections 312(2)(A)(i) and 322(a)(2)(A)(i) of the Higher Education Act of 1965, any Indian student who receives a student assistance grant from the [Bureau of Indian Affairs] *Bureau of Indian Education* for postsecondary education shall be deemed to have received such assistance under subpart 1 of part A of title IV of such Act.

[(c)] (d) Notwithstanding any other provision of law, funds provided under this title to the tribally controlled college or university may be treated as non-Federal law which requires that non-Federal or private funds of the college or university be used in a project or for a specific purpose.

APPROPRIATION AUTHORIZATION

SEC. 110. (a)(1) There is authorized to be appropriated, for the purpose of carrying out section 105, [\$3,200,000 for fiscal year 2009 and] such sums as may be necessary *from the amount made available under section 3(a) for each fiscal year* [for each of the five succeeding fiscal years].

(2) There is authorized to be appropriated for the purpose of carrying out section 107, such sums as may be necessary [for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years.] *from the amount made available under section 3(a) for each fiscal year.*

(3) There is authorized to be appropriated for the purpose of carrying out sections 112(b) and 113, such sums as may be necessary [for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years.] *from the amount made available under section 3(a) for each fiscal year.*

(4) Funds appropriated pursuant to the authorizations under this section for the fiscal year [2009] *2019* and for each of the five succeeding fiscal years shall be transferred by the Secretary of the Treasury through the most expeditious method available, with each of the tribally controlled [colleges or universities] *colleges and universities* being designated as its own certifying agency.

(b)(1) For the purpose of affording adequate notice of funding available under this Act, amounts appropriated in an appropriation

Act for any fiscal year to carry out this Act shall become available for obligation on July 1 of that fiscal year and shall remain available until September 30 of the succeeding fiscal year.

(2) In order to effect a transition to the forward funding method of timing appropriation action described in paragraph (1), there are authorized to be appropriated, in an appropriation Act or Acts for the same fiscal year, two separate appropriations to carry out this Act, the first of which shall not be subject to paragraph (1).

GRANT ADJUSTMENTS

SEC. 111. (a)(1) If the sums appropriated for any fiscal year pursuant to section 110(a)(2) for grants under section 107 are not sufficient to pay in full the total amount which approved applicants are eligible to receive under such section for such fiscal year—

(A) the Secretary shall first allocate to each such applicant which received funds under section 107 for the preceding fiscal year an amount equal to 95 percent of the payment received by such applicant under section 108;

(B) the Secretary shall next allocate to applicants who did not receive funds under such section for the preceding fiscal year an amount equal to 100 per centum of the product of—

(i) the per capita payment for the preceding fiscal year; and

(ii) the applicant's projected Indian student count for the academic year for which payment is being made; in the order in which such applicants have qualified for assistance in accordance with such section so that no amount shall be allocated to a later qualified applicant until each earlier qualified applicant is allocated an amount equal to such product; and

(C) if additional funds remain after making the allocations required by subparagraphs (A) and (B), the Secretary shall allocate such funds by—

(i) ratably increasing the amounts of the grants determined under subparagraph (A) until such grants are equal to 100 per centum of the product described in such subparagraph; and

(ii) then ratably increasing the amounts of both (I) the grants determined under subparagraph (A), as increased under clause (i) of this subparagraph, and (II) the grants determined under subparagraph (B).

(2) For purposes of paragraph (1) of this subsection, the term "per capita payment" for any fiscal year shall be determined by dividing the amount available for grants to tribally controlled [colleges or universities] *colleges and universities* under section 107 for such fiscal year by the sum of the Indian student counts of such [colleges or universities] *colleges and universities* for such fiscal year. The Secretary shall, on the basis of the most satisfactory data available, compute the Indian student count for any fiscal year for which such count was not used for the purpose of making allocations under this title.

(b)(1) If the sums appropriated for any fiscal year for grants under section 107 are not sufficient to pay in full the total amount of the grants determined pursuant to subsection (a)(1)(A), the amount which applicants described in such subsection are eligible

to receive under section 107 for such fiscal year shall be ratably reduced.

(2) If any additional funds become available for making payments under section 107 for any fiscal year to which subsection (a) or paragraph (1) of this subsection applies, such additional amounts shall be allocated by first increasing grants reduced under paragraph (1) of this subsection on the same basis as they were reduced and by then allocating the remainder in accordance with subsection (a). Sums appropriated in excess of the amount necessary to pay in full the total amounts for which applicants are eligible under section 107 shall be allocated by ratably increasing such total amounts.

(3) References in this subsection and subsection (a) to section 107 shall, with respect to fiscal year 1983, be deemed to refer to section 106 as in effect at the beginning of such fiscal year.

(c) In any fiscal year in which the amounts for which grant recipients are eligible to receive have been reduced under the first sentence of subsection (a) of this section, and in which additional funds have not been made available to pay in full the total of such amounts under the second sentence of such subsection, each grantee shall report to the Secretary any unused portion of received funds ninety days prior to the grant expiration date. The amounts so reported by any grant recipient shall be made available for allocation to eligible grantees on a basis proportionate to the amount which is unfunded as a result of the ratable reduction, but no grant recipient shall receive, as a result of such reallocation, more than the amount provided for under section 107(a) of this title.

REPORT ON FACILITIES

SEC. 112. (a) The Secretary shall provide for the conduct of a study of facilities available for use by tribally controlled [colleges or universities] *colleges and universities*. Such study shall consider the condition of currently existing [Bureau of Indian Affairs] *Bureau of Indian Education* facilities which are vacant or underutilized and shall consider available alternatives for renovation, alteration, repair, and reconstruction of such facilities (including renovation, alteration, repair, and reconstruction necessary to bring such facilities into compliance with local building codes). Such study shall also identify the need for new construction. A report on the results of such study shall be submitted to the Congress not later than eighteen months after the date of enactment of the Tribally Controlled Community College Assistance Amendments of 1986. Such report shall also include an identification of property—

(1) on which structurally sound buildings suitable for use as educational facilities are located, and

(2) which is available for use by tribally controlled community [colleges or universities] *colleges and universities* under section 202(a)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(a)(2)) and under the Act of August 6, 1956 (70 Stat. 1057; 25 U.S.C. 443a).

(b) The Secretary, in consultation with the [Bureau of Indian Affairs] *Bureau of Indian Education*, shall initiate a program to conduct necessary renovations, alterations, repairs, and reconstruction identified pursuant to subsection (a) of this section.

(c)(1) The Secretary shall enter into a contract with an organization described in paragraph (2) to establish and provide on an annual basis criteria for the determination and prioritization in a consistent and equitable manner of the facilities construction and renovation needs of **colleges or universities** *colleges and universities* that receive funding under this Act or the **Navajo Community College Act** *Diné College Act*.

(2) An organization described in this section is any organization that—

(A) is eligible to receive a contract under the Indian Self-Determination and Education Assistance Act; and

(B) has demonstrated expertise in areas and issues dealing with tribally controlled **colleges or universities** *colleges and universities*.

(3) The Secretary shall include the priority list established pursuant to this subsection in the budget submitted annually to the Congress.

(d) For the purposes of this section, the term “reconstruction” has the meaning provided in the first sentence of subparagraph (B) of section 742(2) of the Higher Education Act of 1965 (20 U.S.C. 1132e-1(2)(B)).

CONSTRUCTION OF NEW FACILITIES

SEC. 113. (a) With respect to any tribally controlled college or university for which the report of the Administrator of General Services under section 112(a) of this Act identifies a need for new construction, the Secretary shall, subject to appropriations and on the basis of an application submitted in accordance with such requirements as the Secretary may prescribe by regulation, provide grants for such construction in accordance with this section.

(b) In order to be eligible for a grant under this section, a tribally controlled college or university—

(1) must be a current recipient of grants under section 105 or 107, and

(2) must be accredited by a nationally recognized accrediting agency listed by the Secretary of Education pursuant to the last sentence of section 101 of the Higher Education Act of 1965, except that such requirement may be waived if the Secretary determines that there is a reasonable expectation that such college or university will be fully accredited within eighteen months. In any case where such a waiver is granted, grants under this section shall be available only for planning and development of proposals for construction.

(c)(1) Except as provided in paragraph (2), grants for construction under this section shall not exceed 80 per centum of the cost of such construction, except that no tribally controlled college or university shall be required to expend more than \$400,000 in fulfillment of the remaining 20 per centum. For the purpose of providing its required portion of the cost of such construction, a tribally controlled college or university may use funds provided under the Act of November 2, 1921 (25 U.S.C. 13), popularly referred to as the Snyder Act.

(2) The Secretary may waive, in whole or in part, the requirements of paragraph (1) in the case of any tribally controlled college or university which demonstrates that neither such college or uni-

versity nor the tribal government with which it is affiliated have sufficient resources to comply with such requirements. The Secretary shall base a decision on whether to grant such a waiver solely on the basis of the following factors: (A) tribal population; (B) potential student population; (C) the rate of unemployment among tribal members; (D) tribal financial resources; and (E) other factors alleged by the college or university to have a bearing on the availability of resources for compliance with the requirements of paragraph (1) and which may include the educational attainment of tribal members.

(d) If, within twenty years after completion of construction of a facility which has been constructed in whole or in part with a grant made available under this section—

(1) the facility ceases to be used by the applicant in a public or nonprofit capacity as an academic facility, unless the Secretary determines that there is good cause for releasing the institution from this obligation, and

(2) the tribe with which the applicant is affiliated fails to use the facility for a public purpose approved by the tribal government in furtherance of the general welfare of the community served by the tribal government,

title to the facility shall vest in the United States and the applicant (or such tribe if such tribe is the successor in title to the facility) shall be entitled to recover from the United States an amount which bears the same ratio to the present value of the facility as the amount of the applicant's contribution (excluding any funds provided under the Act of November 2, 1921 (25 U.S.C. 13)) bore to the original cost of the facility. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is located.

(e) No construction assisted with funds under this section shall be used for religious worship or a sectarian activity or for a school or department of divinity.

(f) For the purposes of this section—

(1) the term "construction" includes reconstruction or renovation (as such terms are defined in the first sentence of subparagraph (B) of section 742(2) of the Higher Education Act of 1965 (20 U.S.C. 1132e-1(2)(B))); and

(2) the term "academic facilities" has the meaning provided such term under section 742(1) of the Higher Education Act of 1965 (20 U.S.C. 1132e-1(1)).

MISCELLANEOUS PROVISIONS

SEC. 114. (a) The Navajo Tribe shall not be eligible to participate under the provisions of this title.

(b)(1) The Secretary shall not provide any funds to any institution which denies admission to any Indian student because such individual is not a member of a specific Indian tribe, or which denies admission to any Indian student because such individual is a member of a specific tribe.

(2) The Secretary shall take steps to recover any unexpended and unobligated funds provided under this title held by an institution determined to be in violation of paragraph (1).

【RULES AND REGULATIONS

【SEC. 115. (a) Within four months from the date of enactment of this Act, the Secretary shall, to the extent practicable, consult with national Indian organizations to consider and formulate appropriate rules and regulations for the conduct of the grant program established by this title.

【(b) Within six months from the date of enactment of this Act, the Secretary shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties.

【(c) Within ten months from the date of enactment of this Act, the Secretary shall promulgate rules and regulations for the conduct of the grant program established by this title.

【(d) Funds to carry out the purposes of this section may be drawn from general administrative appropriations to the Secretary made after the date of enactment of this Act.】

* * * * *

【TITLE III—TRIBALLY CONTROLLED COLLEGE OR
UNIVERSITY ENDOWMENT PROGRAM

【PURPOSE

【SEC. 301. It is the purpose of this title to provide grants for the encouragement of endowment funds for the operation and improvement of tribally controlled colleges or universities.

【ESTABLISHMENT OF PROGRAM; PROGRAM AGREEMENTS

【SEC. 302. (a) From the amount appropriated pursuant to section 306, the Secretary shall establish a program of making endowment grants to tribally controlled colleges or universities which are current recipients of assistance under section 107 of this Act or under section 3 of the Navajo Community College Act. No such college or university shall be ineligible for such a grant for a fiscal year by reason of the receipt of such a grant for a preceding fiscal year, but no such college or university shall be eligible for such a grant for a fiscal year if such college or university has been awarded a grant under section 331 of the Higher Education Act of 1965 for such fiscal year.

【(b) No grant for the establishment of an endowment fund by a tribally controlled college or university shall be made unless such college or university enters into an agreement with the Secretary which—

【(1) provides for the investment and maintenance of a trust fund, the corpus and earnings of which shall be invested in the same manner as funds are invested under paragraph (2) of section 331(c) of the Higher Education Act of 1965, except that for purposes of this paragraph, the term “trust fund” means a fund established by an institution of higher education or by a foundation that is exempt from taxation and is maintained for the purpose of generating income for the support of the institution, and may include real estate;

【(2) provides for the deposit in such trust fund of—

[(A) any Federal capital contributions made from funds appropriated under section 306;

[(B) a capital contribution by such college or university in an amount (or of a value) equal to half of the amount of each Federal capital contribution; and

[(C) any earnings of the funds so deposited;

[(3) provides that such funds will be deposited in such a manner as to insure the accumulation of interest thereon at a rate not less than that generally available for similar funds deposited at the banking or savings institution for the same period or periods of time;

[(4) provides that, if at any time such college or university withdraws any capital contribution made by that college or university, an amount of Federal capital contribution equal to twice the amount of (or value of) such withdrawal shall be withdrawn and returned to the Secretary for reallocation to other colleges or universities;

[(5) provides that no part of the net earnings of such trust fund will inure to the benefit of any private person; and

[(6) includes such other provisions as may be necessary to protect the financial interest of the United States and promote the purpose of this title and as are agreed to by the Secretary and the college or university, including a description of record-keeping procedures for the expenditure of accumulated interest which will allow the Secretary to audit and monitor programs and activities conducted with such interest.

USE OF FUNDS

[SEC. 303. Interest deposited, pursuant to section 302(b)(2)(C), in the trust fund of any tribally controlled college or university may be periodically withdrawn and used, at the discretion of such college or university, to defray any expenses associated with the operation of such college or university, including expense of operations and maintenance, administration, academic and support personnel, community and student services programs, and technical assistance.

COMPLIANCE WITH MATCHING REQUIREMENT

[SEC. 304. For the purpose of complying with the contribution requirement of section 302(b)(2)(B), a tribally controlled college or university may use funds which are available from any private or tribal source. Any real or personal property received by a tribally controlled college or university as a donation or gift on or after the date of the enactment of this sentence may, to the extent of its fair market value as determined by the Secretary, be used by such college or university as its contribution pursuant to section 302(b)(2)(B), or as part of such contribution, as the case may be. In any case in which any such real or personal property so used is thereafter sold or otherwise disposed of by such college or university, the proceeds therefrom shall be deposited pursuant to section 302(b)(2)(B) but shall not again be considered for Federal capital contribution purposes.

【ALLOCATION OF FUNDS

【SEC. 305. (a) From the amount appropriated pursuant to section 306, the Secretary shall allocate to each tribally controlled college or university which is eligible for an endowment grant under this title an amount for a Federal capital contribution equal to twice the value of the property or the amount which such college or university demonstrates has been placed within the control of, or irrevocably committed to the use of, the college or university and is available for deposit as a capital contribution of that college or university in accordance with section 302(b)(2)(B), except that the maximum amount which may be so allocated to any such college or university for any fiscal year shall not exceed \$750,000.

【(b) If for any fiscal year the amount appropriated pursuant to section 306 is not sufficient to allocate to each tribally controlled college or university an amount equal to twice the value of the property or the amount demonstrated by such college or university pursuant to subsection (a), then the amount of the allocation to each such college or university shall be ratably reduced.

【AUTHORIZATION OF APPROPRIATIONS

【SEC. 306. (a) There are authorized to be appropriated to carry out the provisions of this title, \$10,000,000 for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years.

【(b) Any funds appropriated pursuant to subsection (a) are authorized to remain available until expended.】

TITLE IV—TRIBAL ECONOMIC DEVELOPMENT

SEC. 401. SHORT TITLE.

This title may be cited as the “Tribal Economic Development and Technology Related Education Assistance Act of 1990”.

SEC. 402. GRANTS AUTHORIZED.

(a) GENERAL AUTHORITY.—The Secretary is authorized, subject to the availability of appropriations, to make grants to tribally controlled【colleges or universities】*colleges and universities* which receive grants under either this Act or the【Navajo Community College Act】*Diné College Act* for the establishment and support of tribal economic development and education institutes. Each program conducted with assistance under a grant under this subsection shall include at least the following activities:

(1) Determination of the economic development needs and potential of the Indian tribes involved in the program, including agriculture and natural resource needs.

(2) Development of consistent courses of instruction to prepare postsecondary students, tribal officials and others to meet the needs defined under paragraph (1). The development of such courses may be coordinated with secondary institutions to the extent practicable.

(3) The conduct of vocational courses, including administrative expenses and student support services.

(4) Technical assistance and training to Federal, tribal and community officials and business managers and planners deemed necessary by the institution to enable full implementa-

tion of, and benefits to be derived from, the program developed under paragraph (1).

(5) Clearinghouse activities encouraging the coordination of, and providing a point for the coordination of, all vocational activities (and academically related training) serving all students of the Indian tribe involved in the grant.

(6) The evaluation of such grants and their effect on the needs developed under paragraph (1) and tribal economic self-sufficiency.

(b) AMOUNT AND DURATION.—The grants shall be of such amount and duration as to afford the greatest opportunity for success and the generation of relevant data.

(c) APPLICATIONS.—Institutions which receive funds under other titles of this Act or the [Navajo Community College Act] *Diné College Act* may apply for grants under this title either individually or as consortia. Each applicant shall act in cooperation with an Indian tribe or tribes in developing and implementing a grant under this part.

SEC. 403. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for grants under this title, such sums as may be necessary [for fiscal year 2009 and such sums as may be necessary for each of the five succeeding fiscal years.] *from the amount made available under section 3(a) for each fiscal year.*

TITLE V—TRIBALLY CONTROLLED POSTSECONDARY CAREER AND TECHNICAL INSTITUTIONS

SEC. 501. DEFINITION OF TRIBALLY CONTROLLED POSTSECONDARY CAREER AND TECHNICAL INSTITUTION.

In this title, the term “tribally controlled postsecondary career and technical institution” has the meaning given the term in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302).

SEC. 502. TRIBALLY CONTROLLED POSTSECONDARY CAREER AND TECHNICAL INSTITUTIONS PROGRAM.

(a) IN GENERAL.—Subject to the availability of appropriations, for fiscal year 2009 and each fiscal year thereafter, the Secretary shall—

(1) subject to subsection (b), select two tribally controlled postsecondary career and technical institutions to receive assistance under this title; and

(2) provide funding to the selected tribally controlled postsecondary career and technical institutions to pay the costs (including institutional support costs) of operating postsecondary career and technical education programs for Indian students at the tribally controlled postsecondary career and technical institutions.

(b) SELECTION OF CERTAIN INSTITUTIONS.—

(1) REQUIREMENT.—For each fiscal year during which the Secretary determines that a tribally controlled postsecondary career and technical institution described in paragraph (2)

meets the definition referred to in section 501, the Secretary shall select that tribally controlled postsecondary career and technical institution under subsection (a)(1) to receive funding under this section.

(2) INSTITUTIONS.—The two tribally controlled postsecondary career and technical institutions referred to in paragraph (1) are—

- (A) the United Tribes Technical College; and
- (B) the Navajo Technical College.

(c) METHOD OF PAYMENT.—For each applicable fiscal year, the Secretary shall provide funding under this section to each tribally controlled postsecondary career and technical institution selected for the fiscal year under subsection (a)(1) in a lump sum payment for the fiscal year.

(d) DISTRIBUTION.—

(1) IN GENERAL.—For fiscal year 2009 and each fiscal year thereafter, of amounts made available pursuant to section 504, the Secretary shall distribute to each tribally controlled postsecondary career and technical institution selected for the fiscal year under subsection (a)(1) an amount equal to the greater of—

(A) the total amount appropriated for the tribally controlled postsecondary career and technical institution for fiscal year 2006; or

(B) the total amount appropriated for the tribally controlled postsecondary career and technical institution for fiscal year 2008.

(2) EXCESS AMOUNTS.—If, for any fiscal year, the amount made available pursuant to section 504 exceeds the sum of the amounts required to be distributed under paragraph (1) to the tribally controlled postsecondary career and technical institutions selected for the fiscal year under subsection (a)(1), the Secretary shall distribute to each tribally controlled postsecondary career and technical institution selected for that fiscal year a portion of the excess amount, to be determined by—

(A) dividing the excess amount by the aggregate Indian student count (as defined in section 117(h) of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2327(h)) of such institutions for the prior academic year; and

(B) multiplying the quotient described in subparagraph (A) by the Indian student count of each such institution for the prior academic year.

SEC. 503. APPLICABILITY OF OTHER LAWS.

(a) IN GENERAL.—Paragraphs (4) and (8) of subsection (a), and subsection (b), of section 2, sections 105, 108, 111, 112 and 113, and titles II, III, and IV shall not apply to this title.

(b) INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE.—Funds made available pursuant to this title shall be subject to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

(c) ELECTION TO RECEIVE.—A tribally controlled postsecondary career and technical institution selected for a fiscal year under section 502(b) may elect to receive funds pursuant to section 502 in accordance with an agreement between the tribally controlled post-

secondary career and technical institution and the Secretary under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) if the agreement is in existence on the date of enactment of the Higher Education Opportunity Act.

(d) OTHER ASSISTANCE.—Eligibility for, or receipt of, assistance under this title shall not preclude the eligibility of a tribally controlled postsecondary career and technical institution to receive Federal financial assistance under—

(1) any program under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.);

(2) any program under the Carl D. Perkins Career and Technical Education Act of 2006; or

(3) any other applicable program under which a benefit is provided for—

(A) institutions of higher education;

(B) community colleges; or

(C) postsecondary educational institutions.

SEC. 504. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary [for fiscal year 2009 and each fiscal year thereafter to carry out this title.] *from the amount made available under section 3(b) for each fiscal year.*

ACT OF DECEMBER 15, 1971

(Public Law 92-189)

AN ACT To authorize grants for the Navajo Community College, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the [“Navajo Community College Act”] “*Diné College Act*”.

* * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. (a)(1) For the purpose of making construction grants under this Act, there are authorized to be appropriated such sums as are necessary [for fiscal years 2009 through 2014] *from the amount made available under subsection (b)(1) for each fiscal year.*

(2) Sums appropriated pursuant to this subsection for construction shall, unless otherwise provided in appropriations Acts, remain available until expended.

(3) Sums described in paragraph (2) shall be used to provide grants for construction activities, including the construction of buildings, water and sewer facilities, roads, information technology and telecommunications infrastructure, classrooms, and external structures (such as walkways).

(b)(1) There are authorized to be appropriated for grants to Diné College [such sums as are necessary for fiscal years 2009 through 2014] *\$13,600,000 for each of fiscal years 2019 through 2024 to pay the cost of—*

- (A) the maintenance and operation of the College, including—
 - (i) basic, special, developmental, vocational, technical, and special handicapped education costs;
 - (ii) annual capital expenditures, including equipment needs, minor capital improvements and remodeling projects, physical plant maintenance and operation costs, and exceptions and supplemental need account; and
 - (iii) summer and special interest programs;
- (B) major capital improvements, including internal capital outlay funds and capital improvement projects;
- (C) mandatory payments, including payments due on bonds, loans, notes, or lease purchases;
- (D) supplemental student services, including student housing, food service, and the provision of access to books and services; and
- (E) improving and expanding the College, including by providing, for the Navajo people and others in the community of the College—
 - (i) higher education programs;
 - (ii) career and technical education;
 - (iii) activities relating to the preservation and protection of the Navajo language, philosophy, and culture;
 - (iv) employment and training opportunities;
 - (v) economic development and community outreach; and
 - (vi) a safe learning, working, and living environment.

(2) The Secretary shall make payments, pursuant to grants under this subsection, in advance installments of not less than 40 per centum of the funds available for allotment, based on anticipated or actual numbers of full-time equivalent Indian students or such other factors as determined by the Secretary. Adjustments for overpayments and underpayments shall be applied to the remainder of such funds and such remainder shall be delivered no later than July 1 of each year.

(c) The Secretary of the Interior is authorized and directed to establish by rule procedures to insure that all funds appropriated under this Act are properly identified for grants to Diné College and that such funds are not commingled with appropriations historically expended by the [Bureau of Indian Affairs] *Bureau of Indian Education* for programs and projects normally provided on the Navajo Reservation for Navajo beneficiaries.

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GENERAL EDUCATION PROVISIONS ACT

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PART C—GENERAL REQUIREMENTS AND CONDITIONS CONCERNING
THE OPERATION AND ADMINISTRATION OF EDUCATION PROGRAMS;
GENERAL AUTHORITY OF THE SECRETARY

* * * * *

SUBPART 4—RECORDS; PRIVACY; LIMITATION ON WITHHOLDING
FEDERAL FUNDS

* * * * *

PROTECTION OF THE RIGHTS AND PRIVACY OF PARENTS AND
STUDENTS

SEC. 444. (a)(1)(A) No funds shall be made available under any applicable program to any educational agency or institution which has a policy of denying, or which effectively prevents, the parents of students who are or have been in attendance at a school of such agency or at such institution, as the case may be, the right to inspect and review the education records of their children. If any material or document in the education record of a student includes information on more than one student, the parents of one of such students shall have the right to inspect and review only such part of such material or document as relates to such student or to be informed of the specific information contained in such part of such material. Each educational agency or institution shall establish appropriate procedures for the granting of a request by parents for access to the education records of their children within a reasonable period of time, but in no case more than forty-five days after the request has been made.

(B) No funds under any applicable program shall be made available to any State educational agency (whether or not that agency is an educational agency or institution under this section) that has a policy of denying, or effectively prevents, the parents of students the right to inspect and review the education records maintained by the State educational agency on their children who are or have been in attendance at any school of an educational agency or institution that is subject to the provisions of this section.

(C) The first sentence of subparagraph (A) shall not operate to make available to students in institutions of postsecondary education the following materials:

(i) financial records of the parents of the student or any information contained therein;

(ii) confidential letters and statements of recommendation, which were placed in the education records prior to January 1, 1975, if such letters or statements are not used for purposes other than those for which they were specifically intended;

(iii) if the student has signed a waiver of the student's right of access under this subsection in accordance with subparagraph (D), confidential recommendations—

(I) respecting admission to any educational agency or institution,

(II) respecting an application for employment, and

(III) respecting the receipt of an honor or honorary recognition.

(D) A student or a person applying for admission may waive his right of access to confidential statements described in clause (iii) of subparagraph (C), except that such waiver shall apply to recommendations only if (i) the student is, upon request, notified of the names of all persons making confidential recommendations and (ii) such recommendations are used solely for the purpose for which they were specifically intended. Such waivers may not be required

as a condition for admission to, receipt of financial aid from, or receipt of any other services or benefits from such agency or institution.

(2) No funds shall be made available under any applicable program to any educational agency or institution unless the parents of students who are or have been in attendance at a school of such agency or at such institution are provided an opportunity for a hearing by such agency or institution, in accordance with regulations of the Secretary, to challenge the content of such student's education records, in order to insure that the records are not inaccurate, misleading, or otherwise in violation of the privacy rights of students, and to provide an opportunity for the correction or deletion of any such inaccurate, misleading, or otherwise inappropriate data contained therein and to insert into such records a written explanation of the parents respecting the content of such records.

(3) For the purposes of this section the term "educational agency or institution" means any public or private agency or institution which is the recipient of funds under any applicable program.

(4)(A) For the purposes of this section, the term "education records" means, except as may be provided otherwise in subparagraph (B), those records, files, documents, and other materials which—

(i) contain information directly related to a student; and

(ii) are maintained by an educational agency or institution or by a person acting for such agency or institution.

(B) The term "education records" does not include—

(i) records of instructional, supervisory, and administrative personnel and educational personnel ancillary thereto which are in the sole possession of the maker thereof and which are not accessible or revealed to any other person except a substitute;

(ii) records maintained by a law enforcement unit of the educational agency or institution that were created by that law enforcement unit for the purpose of law enforcement;

(iii) in the case of persons who are employed by an educational agency or institution but who are not in attendance at such agency or institution, records made and maintained in the normal course of business which relate exclusively to such person in that person's capacity as an employee and are not available for use for any other purpose; or

(iv) records on a student who is eighteen years of age or older, or is attending an institution of postsecondary education, which are made or maintained by a physician, psychiatrist, psychologist, or other recognized professional or paraprofessional acting in his professional or paraprofessional capacity, or assisting in that capacity, and which are made, maintained, or used only in connection with the provision of treatment to the student, and are not available to anyone other than persons providing such treatment, except that such records can be personally reviewed by a physician or other appropriate professional of the student's choice.

(5)(A) For the purposes of this section the term "directory information" relating to a student includes the following: the student's name, address, telephone listing, date and place of birth, major

field of study, participation in officially recognized activities and sports, weight and height of members of athletic teams, dates of attendance, degrees and awards received, and the most recent previous educational agency or institution attended by the student.

(B) Any educational agency or institution making public directory information shall give public notice of the categories of information which it has designated as such information with respect to each student attending the institution or agency and shall allow a reasonable period of time after such notice has been given for a parent to inform the institution or agency that any or all of the information designated should not be released without the parent's prior consent.

(6) For the purposes of this section, the term "student" includes any person with respect to whom an educational agency or institution maintains education records or personally identifiable information, but does not include a person who has not been in attendance at such agency or institution.

(b)(1) No funds shall be made available under any applicable program to any educational agency or institution which has a policy or practice of permitting the release of education records (or personally identifiable information contained therein other than directory information, as defined in paragraph (5) of subsection (a)) of students without the written consent of their parents to any individual, agency, or organization, other than to the following—

(A) other school officials, including teachers within the educational institution or local educational agency, who have been determined by such agency or institution to have legitimate educational interests, including the educational interests of the child for whom consent would otherwise be required;

(B) officials of other schools or school systems in which the student seeks or intends to enroll, upon condition that the student's parents be notified of the transfer, receive a copy of the record if desired, and have an opportunity for a hearing to challenge the content of the record;

(C)(i) authorized representatives of (I) the Comptroller General of the United States, (II) the Secretary, or (III) State educational authorities, under the conditions set forth in paragraph (3), or (ii) authorized representatives of the Attorney General for law enforcement purposes under the same conditions as apply to the Secretary under paragraph (3);

(D) in connection with a student's application for, or receipt of, financial aid;

(E) State and local officials or authorities to whom such information is specifically allowed to be reported or disclosed pursuant to State statute adopted—

(i) before November 19, 1974, if the allowed reporting or disclosure concerns the juvenile justice system and such system's ability to effectively serve the student whose records are released, or

(ii) after November 19, 1974, if—

(I) the allowed reporting or disclosure concerns the juvenile justice system and such system's ability to effectively serve, prior to adjudication, the student whose records are released; and

(II) the officials and authorities to whom such information is disclosed certify in writing to the educational agency or institution that the information will not be disclosed to any other party except as provided under State law without the prior written consent of the parent of the student.

(F) organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if such studies are conducted in such a manner as will not permit the personal identification of students and their parents by persons other than representatives of such organizations and such information will be destroyed when no longer needed for the purpose for which it is conducted;

(G) accrediting organizations in order to carry out their accrediting functions;

(H) parents of a dependent student of such parents, as defined in section 152 of the Internal Revenue Code of 1986;

(I) subject to regulations of the Secretary, in connection with an emergency, appropriate persons if the knowledge of such information is necessary to protect the health or safety of the student or other persons;

(J)(i) the entity or persons designated in a Federal grand jury subpoena, in which case the court shall order, for good cause shown, the educational agency or institution (and any officer, director, employee, agent, or attorney for such agency or institution) on which the subpoena is served, to not disclose to any person the existence or contents of the subpoena or any information furnished to the grand jury in response to the subpoena; and

(ii) the entity or persons designated in any other subpoena issued for a law enforcement purpose, in which case the court or other issuing agency may order, for good cause shown, the educational agency or institution (and any officer, director, employee, agent, or attorney for such agency or institution) on which the subpoena is served, to not disclose to any person the existence or contents of the subpoena or any information furnished in response to the subpoena;

(K) the Secretary of Agriculture, or authorized representative from the Food and Nutrition Service or contractors acting on behalf of the Food and Nutrition Service, for the purposes of conducting program monitoring, evaluations, and performance measurements of State and local educational and other agencies and institutions receiving funding or providing benefits of 1 or more programs authorized under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) for which the results will be reported in an aggregate form that does not identify any individual, on the conditions that—

(i) any data collected under this subparagraph shall be protected in a manner that will not permit the personal identification of students and their parents by other than the authorized representatives of the Secretary; and

(ii) any personally identifiable data shall be destroyed when the data are no longer needed for program monitoring, evaluations, and performance measurements [; and];

(L) an agency caseworker or other representative of a State or local child welfare agency, or tribal organization (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), who has the right to access a student's case plan, as defined and determined by the State or tribal organization, when such agency or organization is legally responsible, in accordance with State or tribal law, for the care and protection of the student, provided that the education records, or the personally identifiable information contained in such records, of the student will not be disclosed by such agency or organization, except to an individual or entity engaged in addressing the student's education needs and authorized by such agency or organization to receive such disclosure and such disclosure is consistent with the State or tribal laws applicable to protecting the confidentiality of a student's education records [; and]

(M) *an institution of postsecondary education in which the student was previously enrolled, to which records of postsecondary coursework and credits are sent for the purpose of applying such coursework and credits toward completion of a recognized postsecondary credential (as that term is defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102)), upon condition that the student provides written consent prior to receiving such credential.*

Nothing in subparagraph (E) of this paragraph shall prevent a State from further limiting the number or type of State or local officials who will continue to have access thereunder.

(2) No funds shall be made available under any applicable program to any educational agency or institution which has a policy or practice of releasing, or providing access to, any personally identifiable information in education records other than directory information, or as is permitted under paragraph (1) of this subsection, unless—

(A) there is written consent from the student's parents specifying records to be released, the reasons for such release, and to whom, and with a copy of the records to be released to the student's parents and the student if desired by the parents, or

(B) except as provided in paragraph (1)(J), such information is furnished in compliance with judicial order, or pursuant to any lawfully issued subpoena, upon condition that parents and the students are notified of all such orders or subpoenas in advance of the compliance therewith by the educational institution or agency, except when a parent is a party to a court proceeding involving child abuse and neglect (as defined in section 3 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 note)) or dependency matters, and the order is issued in the context of that proceeding, additional notice to the parent by the educational agency or institution is not required.

(3) Nothing contained in this section shall preclude authorized representatives of (A) the Comptroller General of the United States, (B) the Secretary, or (C) State educational authorities from

having access to student or other records which may be necessary in connection with the audit and evaluation of Federally-supported education programs, or in connection with the enforcement of the Federal legal requirements which relate to such programs: *Provided*, That except when collection of personally identifiable information is specifically authorized by Federal law, any data collected by such officials shall be protected in a manner which will not permit the personal identification of students and their parents by other than those officials, and such personally identifiable data shall be destroyed when no longer needed for such audit, evaluation, and enforcement of Federal legal requirements.

(4)(A) Each educational agency or institution shall maintain a record, kept with the education records of each student, which will indicate all individuals (other than those specified in paragraph (1)(A) of this subsection), agencies, or organizations which have requested or obtained access to a student's education records maintained by such educational agency or institution, and which will indicate specifically the legitimate interest that each such person, agency, or organization has in obtaining this information. Such record of access shall be available only to parents, to the school official and his assistants who are responsible for the custody of such records, and to persons or organizations authorized in, and under the conditions of, clauses (A) and (C) of paragraph (1) as a means of auditing the operation of the system.

(B) With respect to this subsection, personal information shall only be transferred to a third party on the condition that such party will not permit any other party to have access to such information without the written consent of the parents of the student. If a third party outside the educational agency or institution permits access to information in violation of paragraph (2)(A), or fails to destroy information in violation of paragraph (1)(F), the educational agency or institution shall be prohibited from permitting access to information from education records to that third party for a period of not less than five years.

(5) Nothing in this section shall be construed to prohibit State and local educational officials from having access to student or other records which may be necessary in connection with the audit and evaluation of any federally or State supported education program or in connection with the enforcement of the Federal legal requirements which relate to any such program, subject to the conditions specified in the proviso in paragraph (3).

(6)(A) Nothing in this section shall be construed to prohibit an institution of postsecondary education from disclosing, to an alleged victim of any crime of violence (as that term is defined in section 16 of title 18, United States Code), or a nonforcible sex offense, the final results of any disciplinary proceeding conducted by such institution against the alleged perpetrator of such crime or offense with respect to such crime or offense.

(B) Nothing in this section shall be construed to prohibit an institution of postsecondary education from disclosing the final results of any disciplinary proceeding conducted by such institution against a student who is an alleged perpetrator of any crime of violence (as that term is defined in section 16 of title 18, United States Code), or a nonforcible sex offense, if the institution determines as a result of that disciplinary proceeding that the student

committed a violation of the institution's rules or policies with respect to such crime or offense.

(C) For the purpose of this paragraph, the final results of any disciplinary proceeding—

(i) shall include only the name of the student, the violation committed, and any sanction imposed by the institution on that student; and

(ii) may include the name of any other student, such as a victim or witness, only with the written consent of that other student.

(7)(A) Nothing in this section may be construed to prohibit an educational institution from disclosing information provided to the institution under section 170101 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071) concerning registered sex offenders who are required to register under such section.

(B) The Secretary shall take appropriate steps to notify educational institutions that disclosure of information described in subparagraph (A) is permitted.

(c) Not later than 240 days after the date of enactment of the Improving America's Schools Act of 1994, the Secretary shall adopt appropriate regulations or procedures, or identify existing regulations or procedures, which protect the rights of privacy of students and their families in connection with any surveys or data-gathering activities conducted, assisted, or authorized by the Secretary or an administrative head of an education agency. Regulations established under this subsection shall include provisions controlling the use, dissemination, and protection of such data. No survey or data-gathering activities shall be conducted by the Secretary, or an administrative head of an education agency under an applicable program, unless such activities are authorized by law.

(d) For the purposes of this section, whenever a student has attained eighteen years of age, or is attending an institution of postsecondary education, the permission or consent required of and the rights accorded to the parents of the student shall thereafter only be required of and accorded to the student.

(e) No funds shall be made available under any applicable program to any educational agency or institution unless such agency or institution effectively informs the parents of students, or the students, if they are eighteen years of age or older, or are attending an institution of postsecondary education, of the rights accorded them by this section.

(f) The Secretary shall take appropriate actions to enforce this section and to deal with violations of this section, in accordance with this Act, except that action to terminate assistance may be taken only if the Secretary finds there has been a failure to comply with this section, and he has determined that compliance cannot be secured by voluntary means.

(g) The Secretary shall establish or designate an office and review board within the Department for the purpose of investigating, processing, reviewing, and adjudicating violations of this section and complaints which may be filed concerning alleged violations of this section. Except for the conduct of hearings, none of the functions of the Secretary under this section shall be carried out in any of the regional offices of such Department.

(h) Nothing in this section shall prohibit an educational agency or institution from—

(1) including appropriate information in the education record of any student concerning disciplinary action taken against such student for conduct that posed a significant risk to the safety or well-being of that student, other students, or other members of the school community; or

(2) disclosing such information to teachers and school officials, including teachers and school officials in other schools, who have legitimate educational interests in the behavior of the student.

(i) DRUG AND ALCOHOL VIOLATION DISCLOSURES.—

(1) IN GENERAL.—Nothing in this Act or the Higher Education Act of 1965 shall be construed to prohibit an institution of higher education from disclosing, to a parent or legal guardian of a student, information regarding any violation of any Federal, State, or local law, or of any rule or policy of the institution, governing the use or possession of alcohol or a controlled substance, regardless of whether that information is contained in the student's education records, if—

(A) the student is under the age of 21; and

(B) the institution determines that the student has committed a disciplinary violation with respect to such use or possession.

(2) STATE LAW REGARDING DISCLOSURE.—Nothing in paragraph (1) shall be construed to supersede any provision of State law that prohibits an institution of higher education from making the disclosure described in subsection (a).

(j) INVESTIGATION AND PROSECUTION OF TERRORISM.—

(1) IN GENERAL.—Notwithstanding subsections (a) through (i) or any provision of State law, the Attorney General (or any Federal officer or employee, in a position not lower than an Assistant Attorney General, designated by the Attorney General) may submit a written application to a court of competent jurisdiction for an ex parte order requiring an educational agency or institution to permit the Attorney General (or his designee) to—

(A) collect education records in the possession of the educational agency or institution that are relevant to an authorized investigation or prosecution of an offense listed in section 2332b(g)(5)(B) of title 18 United States Code, or an act of domestic or international terrorism as defined in section 2331 of that title; and

(B) for official purposes related to the investigation or prosecution of an offense described in paragraph (1)(A), retain, disseminate, and use (including as evidence at trial or in other administrative or judicial proceedings) such records, consistent with such guidelines as the Attorney General, after consultation with the Secretary, shall issue to protect confidentiality.

(2) APPLICATION AND APPROVAL.—

(A) IN GENERAL.—An application under paragraph (1) shall certify that there are specific and articulable facts giving reason to believe that the education records are likely to contain information described in paragraph (1)(A).

(B) The court shall issue an order described in paragraph (1) if the court finds that the application for the order includes the certification described in subparagraph (A).

(3) PROTECTION OF EDUCATIONAL AGENCY OR INSTITUTION.—An educational agency or institution that, in good faith, produces education records in accordance with an order issued under this subsection shall not be liable to any person for that production.

(4) RECORD-KEEPING.—Subsection (b)(4) does not apply to education records subject to a court order under this subsection.

* * * * *

MINORITY VIEWS

H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform Act (PROSPER Act) amends the Higher Education Act of 1965 (HEA) to make quality higher education less accessible and more expensive. H.R. 4508 makes financing a college education harder for low- and middle-income students, dramatically reducing available grant aid and making student loans more expensive. The Congressional Budget Office (CBO) estimates that H.R. 4508 will reduce direct spending in the Pell Grant and Student Loan programs by \$14.6 billion over ten years. While the bill makes college less affordable, it makes federal student aid more generous for for-profit institutions, at the expense of taxpayers and students. H.R. 4508 eliminates necessary guardrails and dilutes consumer protections that safeguard students and taxpayers. H.R. 4508 expands and creates loopholes that will allow ineligible providers access to federal student aid without adequate oversight to ensure quality, and in some cases, even without compliance with any federal law.

The bill seeks to fundamentally upset the nation's system of higher education to provide the private sector with unprecedented access to taxpayer dollars while providing only low-cost training for future employees. In total, H.R. 4508 exacerbates inequity in higher education by solidifying a two-tiered system: four-year and graduate degrees for wealthy students and families, and unregulated job-training programs with little guarantee of quality or outcomes for those without means. The bill also undermines the viability of programs supporting Historically Black Colleges and Universities (HBCUs) and other minority-serving institutions (MSIs), and eliminates a key funding source for community colleges.

Aside from its sweeping and harmful overhaul of federal student aid to make college more expensive, H.R. 4508 does little to address crucial issues in higher education. The bill fails to advance policies that address campus hazing, racial violence and intimidation, or campus sexual assault. It is silent on the plight of thousands of American Dreamer students—working or attending school now without access to federal student aid or a path to long-term, legal stability in the only country they have ever called home. The bill does nothing to curb excessive student loan debt collection practices. H.R. 4508 fails to address the unique needs of students with disabilities or foster and homeless youth, who we know are accessing higher education at higher levels than ever before. Wherever possible, H.R. 4508 takes a myopic approach contrary to research and advocacy work focused on the needs of the nation's most vulnerable students.

BACKGROUND ON HEA AND THE FLAWED, PARTISAN CONSIDERATION
OF H.R. 4508

Congress, on a bipartisan basis, passed HEA “to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.”¹ When President Lyndon B. Johnson signed the HEA into law, he stated that “[This] means that a high school senior, anywhere in this great land of ours, can apply to any college or any university in any of the 50 states and not be turned away because his family is poor.”² The law was amended in numerous Congresses, historically on a bipartisan basis—until now.

Committee Democrats first learned of the contents of H.R. 4508 on November 29, 2017 when the *Wall Street Journal* published a series of online articles outlining key policies included in the bill.³ Committee Republicans unilaterally drafted the 542-page bill that was shared with Committee Democrats only mere minutes before the bill was formally introduced in the House. Four legislative days after the introduction of H.R. 4508 (and 24 hours before the markup of the bill), Committee Republicans shared a 590-page Amendment in the Nature of a Substitute that made not only technical changes to the bill, but also significant policy revisions to the underlying bill.

Contrary to statistics cited by Committee Republicans during the markup of H.R. 4508, the consideration of the bill was a significant departure from the bipartisan approach of the previous comprehensive reauthorization of the HEA.⁴ During the markup of H.R. 4508, the Chairwoman noted that the last full-scale reauthorization bill was introduced on November 9, 2007 and reported out of Committee on November 15, 2007, when Democrats held the majority. While true, the Committee had held 12 hearings (four full committee and eight subcommittee) regarding higher education in the first session of the 110th Congress.⁵ In contrast, Committee Republicans in the 115th Congress have only held four hearings (two full committee-level and two subcommittee-level) on higher education.⁶

Committee Republicans claim hearings held in previous Congresses informed the development of H.R. 4508. However, many higher education issues that were considered in previous Congresses are either no longer pertinent today, or have not been examined by the Committee with the consideration of new research

¹Pub. L. No. 89–329, 79 Stat. 1219 (codified as amended at 20 U.S.C. § 1001 (2012)).

²President Lyndon Johnson, Remarks on Signing the Higher Education Act of 1965, SW Tex. St. Coll. (Nov. 8, 1965), available at <http://www.txstate.edu/commonexperience/pastsitearchives/2008-2009/lbjresources/higheredact.html>.

³Douglas Belkin et al., *House GOP to Propose Sweeping Changes to Higher Education*, WALL ST. J., Nov. 29, 2017 available at <https://www.wsj.com/articles/house-gop-to-propose-sweeping-changes-to-higher-education-1511956800>.

⁴Higher Education and Opportunity Act, Pub. L. No. 110–315, 122 Stat. 3078 (2008).

⁵H.R. REP. NO. 110–500, pt. 1, at 211.

⁶Committee Republicans claim that the Committee held six hearings on higher education issues during the first session of the 115th Congress. They come to this number by including the Higher Education and Workforce Development Subcommittee hearing, “Expanding Options for Employers and Workers Through Earn-and-Learn opportunities, held on July 26, 2017. Although the topics discussed at that hearing relate to Title II of H.R. 4508, Committee Democrats note that those issues are not in the traditional scope of HEA, and are better addressed in other bills under the jurisdiction of the committee. See *infra* Part “H.R. 4508 Abandons Teachers, While Disguising Low-Quality Job Training Programs as Apprenticeships.” Committee Republicans also include the full Committee hearing title “public-Private Solutions to Educating a Cyber Workforce” held on October 24, 2017.

and evidence in the field that could inform the reauthorization process. Additionally, nearly a third of current Committee members are new to the Education and Workforce Committee as of the 115th Congress, including eight new Republican members and five new Committee Democrats who did not take part in hearings held during previous Congresses. Committee Democrats dispute the suggestion that a third of the Committee provided meaningful input on nearly 600 pages of legislative text over the course of limited Committee proceedings on issues of higher education during this session of Congress.

The differences in Committee process for development and consideration of a comprehensive HEA reauthorization under the Democratic majority in 2007 and the current Republican majority are reflected in the markup hearings for each bill. In 2007, Democrats in the Committee majority accepted 12 Republican amendments and rejected five on recorded votes.⁷ The final bill was reported out by the Committee unanimously, 45–0.⁸ In contrast, in 2017 only two amendments by Committee Democrats were adopted, and 35 were defeated by recorded vote. Without any meaningful input by Committee Democrats, H.R. 4508 was reported out of Committee without any Democratic votes. H.R. 4508’s abandonment of the core purposes of HEA—to make higher education more affordable, more accessible, and to aid completion—is emblematic of a flawed and partisan process.

H.R. 4508 MAKES COLLEGE MORE EXPENSIVE

A college education remains the most successful force for upward economic mobility in America.⁹ The original HEA and subsequent reauthorizations were designed to increase access to higher education for all students, including historically marginalized populations, by federal investments to make higher education more affordable. According to 2015 data, 61 percent of Black and 65 percent of Hispanic Recent High School Graduates are immediately enrolling in postsecondary education after high school, increases of 52 percent and 23 percent respectively from 1975.¹⁰ While efforts have resulted in more low-income and students of color accessing and completing higher education since 1965, significant challenges remain.

Tuition increases coupled with State disinvestment have forced students and their families to shoulder a greater portion of the cost of college. Over the last ten years, in-State tuition and fees at public four-year institutions increased at an average rate of 3.2 percent per year beyond inflation (2.8 percent at two-year public colleges and 2.4 percent at four-year private non-profit institutions).¹¹ The average State appropriation per full-time equivalent (FTE) student

⁷ H.R. REP. NO. 110–500, pt. 1, at 214–18, 368–75.

⁸ H.R. REP. NO. 110–500, pt. 1, at 375.

⁹ Haskins, R., *Education and Economic Mobility*, (2016: The Brookings Institution) available at https://www.brookings.edu/wp-content/uploads/2016/07/02_economic_mobility_sawhill_ch8.pdf.

¹⁰ Jennifer Ma, Matea Pender, and Meredith Welch, *Education Pays 2016*, (2016: The College Board) available at <https://trends.collegeboard.org/sites/default/files/education-pays-2016-full-report.pdf>.

¹¹ Jennifer Ma et al., *Trends in College Pricing 2017*, (2017: The College Board) 13.

fell by 26 percent during the Great Recession.¹² While many States are attempting to rebound from low spending levels, the connection between State funding and college costs is both cyclical and correlational; it would take multiple years of increased public investments in higher education (with such investments assuredly directed to addressing college costs) to actually lower the cost of college. Until that day comes, students are forced to make up the balance through student loans. A responsible reauthorization of HEA would recognize and address the reality that a crippling share of the burden to fund higher education has fallen on America's working families in a time of stagnant wages. Unfortunately, H.R. 4508 takes the opposite approach.

Disguised by the catchy tagline of "One Grant, One Loan, One Work-Study," H.R. 4508 reduces federal investments in higher education and shifts benefits of federal student aid vehicles away from low-income students. The bill eliminates multiple grant programs, loan subsidies, and repayment and forgiveness options. Taken in total, the bill reduces available resources that make higher education more affordable in the name of "simplicity." The result is H.R. 4508 forces students to borrow more, pay more for those loans, and pay more to repay those loans.

Pell Grants

H.R. 4508 does nothing to strengthen the Pell Grant program, the cornerstone of federal student aid. While Democrats successfully championed historic increases in the Pell Grant through the American Reinvestment and Recovery Act of 2009 and the Student Aid and Fiscal Responsibility Act of 2010, those investments have not kept pace with rising costs.¹³ In 1975, the maximum Pell Grant covered nearly 80 percent of the cost of attendance at a public four-year school.¹⁴ The *maximum* Pell Grant award in 2016–17 (\$5,815) covers just 29 percent of average tuition, fees, room and board at an in-State, four-year public university; the *average* Pell Grant award (\$3,724) would cover just 19 percent of such costs.¹⁵ Thus, Pell Grant recipients are more than twice as likely to borrow federal dollars as their peers.¹⁶ This is at a time when the Pell Grant program maintains a reserve of appropriated program funding that Committee Democrats believe should be used to increase the average and maximum awards.¹⁷ HEA reauthorization is a valuable op-

¹²Jennifer Ma et al., *Trends in College Pricing 2016*, (2016: The College Board) 24.

¹³In ARRA (P.L. 111–5), Congress provided an additional \$17.1 billion for the Pell program, which increased the maximum award from \$4,850 to \$5,350 in 2009. In SAFRA (part of Health Care and Education Reconciliation Act of 2010, P.L. 111–152), the maximum was increased to \$5,500 with increases indexed to inflation through 2018.

¹⁴Spiros Protopsaltis and Sharon Parrott, *Pell Grants—a Key Tool for Expanding College Access and Economic Opportunity—Need Strengthening, Not Cuts*, Ctr. for Budget and Policy Priorities (July 27, 2017), available at <https://www.cbpp.org/research/federal-budget/pell-grants-a-key-tool-for-expanding-college-access-and-economic-opportunity>.

¹⁵Sandy Baum et al., *Trends in Student Aid 2016*, (2016: The College Board) 27.

¹⁶The Institute for College Access and Success, *Pell Grants Help Keep College affordable for Millions of Americans*, last updated Apr. 6, 2016, available at http://ticas.org/sites/default/files/pub_files/overall_pell_one-pager.pdf.

¹⁷The Pell Scoring Rule allows the Pell Grant Program to run surpluses (or deficits) from year to year and credit gains (or debit losses) against appropriations in the subsequent fiscal year. According to the June 2017 CBO baseline, the Pell Grant account has a current cumulative surplus of \$8.6 billion. <https://www.cbo.gov/sites/default/files/recurringdata/51304-2017-01-pellgrant.pdf>.

portunity to restore the purchasing power and elevate the purpose of the Pell Grant program.

Instead, H.R. 4508 reduces available grant aid for students across the board. Under the GOP's "One Grant, One Loan, One Work-Study" mandate, the bill eliminates all other grants, making Pell the sole source of federal grant aid for low-income students. H.R. 4508 not only does nothing to increase the purchasing power of Pell, it also weakens the program. By expanding Pell eligibility to more low quality, short-term programs with little federal oversight to ensure quality, H.R. 4508 increases both the demand on Pell and the chance that Pell dollars will fund programs and credentials with little value in the workplace. CBO estimates that H.R. 4508 will increase Pell direct spending by \$13.4 billion and discretionary spending by \$69.9 billion over 10 years. Despite the bill's significant expansion of program eligibility and the elimination of other grant aid sources, H.R. 4508 makes no improvements to Pell funding; it fails to increase mandatory Pell funding, does not increase the maximum Pell Grant award, and provides no yearly inflationary adjustments for the Pell Grant award. In sum, H.R. 4508 dramatically expands the cost of the Pell Grant program but does nothing to improve the purchasing power of the grant to defray the cost of college for low-income students.

H.R. 4508 would increase financial uncertainty for the most vulnerable students by requiring Pell (along with all other federal student aid) to be disbursed in small weekly or monthly increments. This "Aid Like a Paycheck" policy gives institutions the power not only to allocate aid on a weekly or monthly basis, but also to adjust and disburse unequal award amounts across payment periods. This program change would cause unnecessary hardship for the lowest income students who rely on Pell to support not only their institutional enrollment but also their livelihood while in college.

The bill's only Pell policy innovation is the "Pell bonus," a well-intentioned but misguided proposal that lacks sufficient evidence of effectiveness and disadvantages non-traditional students. The bill authorizes a bonus award of up to \$300, only for students on track to complete 30 credit hours or the equivalency for the academic year. This "bonus" essentially creates a new maximum award for a more-than-full-time workload, leaving behind millions of low-income students who do not enroll full time. Data show that part-time students comprise nearly 40 percent of undergraduate student enrollment, and they struggle disproportionately with completion.¹⁸ Unfortunately, part-time enrollment is the only option for many students juggling their education along with work, child/dependent care, and a host of other draws on their time. For these students, a yearly bonus of merely \$300 is not enough to incentivize full-time enrollment, so the Pell bonus does nothing to improve college affordability for them. To make matters worse, H.R. 4508 earmarks the few mandatory dollars remaining in the Pell program to fund the bonus. This fact, in combination with changes to program eligibility and the long documented history of fraud and abuse by for-

¹⁸ IASee e.g., The Education Trust, *Advancing by Degrees: A Framework for Increasing College Completion 2* (Apr. 2010) ("There are also patters of enrollment that make it difficult to accumulate credits, most notably part-time attendance and stopping out, both of which are consistently found to reduce the likelihood of retention and degree completion.")

profit institutions¹⁹ are a recipe for disaster. Committee Democrats fear that H.R. 4508 will lead to a proliferation of low-quality programs that will drain a disproportionate amount of mandatory Pell funds, leaving the program in poor fiscal shape. Committee Democrats joined with three Committee Republicans to vote in favor of an amendment offered by Mr. Grothman (R-WI) to strike the Pell bonus from the bill. The amendment failed by a vote of 20–20, but exposed bipartisan opposition to the Pell bonus.

Finally, H.R. 4508 elevates the issue of “Pell fraud” by blaming students for program waste, fraud, and abuse despite evidence to the contrary. The most recent data from the U.S. Department of Education state that only 2.16 percent of undergraduate federal financial aid applicants are flagged for unusual enrollment history—a pattern that is often considered evidence of fraud.²⁰ Despite the overall low incidence rate, there are some individual institutions where as many as 35 percent of students are flagged for unusual enrollment history.²¹ This suggests the problem is not one of students (or institutions) generally, but instead a problem of specific institutions (or specific to certain institutional structures) that are disproportionately enrolling students attempting to commit fraud. Unfortunately, H.R. 4508’s only provisions to combat fraud target students and do nothing to address these outlier institutions. Simultaneously, H.R. 4508 both removes meaningful consumer and taxpayer protections designed to prevent fraud committed by predatory institutions like the now-closed ITT Tech and Corinthian Colleges and also limits the ability of ED to implement rules to assist defrauded students and recoup taxpayer funds in these situations.

Rep. Susan Davis, Ranking Member of the Subcommittee on Higher Education and Workforce Development, introduced an amendment to make comprehensive improvements to the Pell Grant program. The amendment sought to restore Pell’s purchasing power by increasing the maximum Pell Grant award by \$500 and permanently indexing the award to inflation. To insulate Pell from budget battles, the amendment sought to shift program funding entirely to the mandatory side of the budget ledger. The amendment also sought to allow previously defrauded students to gain or regain access to aid. Recognizing the needs of today’s students and workforce, the amendment sought to allow for the use of Pell Grant funds for quality short-term programs. Lastly, the amendment sought to require institutional reporting on Pell fraud to identify institutions that are most vulnerable to fraud. The Davis Pell Grant amendment was defeated on a party-line vote.

Student loans

In recent years, efforts to increase affordability in the student loan program have centered on reforming the federal Direct Loan program and ensuring that students have affordable options to repay their student loans. Congressional Democrats led the charge for the move to direct lending away from private, federally guaran-

¹⁹Robert Shireman, *The For-Profit College Story: Scandal, Regulate, Forget, Repeat*, (Jan 24, 2017) available at <https://tcf.org/content/report/profit-college-story-scandal-regulate-forget-repeat/>.

²⁰Department of Education 2016–17 Unusual Enrollment History data obtained by CRS, December 28, 2017.

²¹*Id.*

teed loans, the creation of income-driven repayment plans, and the establishment of the Public Service Loan Forgiveness (PSLF) program. These innovations signaled to student borrowers that, regardless of their financing needs, they had multiple options to ensure manageable student debt and a light at the end of the tunnel. Committee Democrats believe that a responsible HEA reauthorization must streamline the multiple income-driven repayment plans into one more accessible income-based repayment plan (IBR), increase protections for borrowers, and include more equitable loan terms to allow for additional refinancing or forgiveness options. H.R. 4508 took a different path.

To create a new “ONE Loan,” H.R. 4508 consolidates all currently available loan products into a more expensive federal student loan, while simultaneously weakening the student loan safety net for the lowest-income borrowers. The bill establishes less favorable loan terms by eliminating the undergraduate loan subsidy, removes the benefits of IBR for the lowest-income borrowers, caps parent and graduate loans, and eliminates the PSLF program. CBO estimates that these changes will take \$58.5 billion out of federal student aid over the next 10 years, money that borrowers currently depend on to make college more affordable.

Currently, nearly six million eligible student borrowers with financial need receive subsidized federal loans that do not accrue interest while the student is enrolled. While there are yearly and aggregate caps on the amount of the subsidy, it helps defray the cost of borrowing for students. H.R. 4508’s “ONE Loan” is unsubsidized. This has disastrous implications for the average student, let alone one heavily reliant on loans. Analysis by the American Council on Education found that “An undergraduate student who borrows \$19,000 over four years and makes all payments on time would see a 44 percent increase in the cost of the loan. A student who attends for five years and borrows \$23,000 would see a 56 percent increase.”²²

H.R. 4508 places limits on the amount parents and graduate students can borrow to fund higher education via the PLUS loan program. While on its face this may seem like a noble attempt to rein in college costs, in reality this policy will only drive parents and graduate students to the private loan market to finance higher education. Private student loans lack the protections of federal loans and lenders may discriminate based on income, field of study, or other student factors. Committee Democrats proudly championed the removal of private lenders from the federal student loan market in 2010, and H.R. 4508, in the name of “cost containment” is inviting private lenders back into the mix.

Further, the “One Loan” mandate of H.R. 4508 creates a single IBR plan that preferences upper-income borrowers and is far less generous than IBR plan options under current law. The new IBR plan would create uncertainty for low-income families by increasing the percent of borrower discretionary income used to repay loans, including a statutory minimum for monthly payments, and severely limiting loan forgiveness. The bill increases the discretionary in-

²²Letter from Ted Mitchell, President, American Council on Education, to Reps. Foxx and Scott (Dec. 11, 2017), available at <http://www.acenet.edu/news-room/Documents/Letter-PROSPER-Act-Markup.pdf>.

come used to calculate a borrower's IBR payment from 10 percent to 15 percent of their income. This change creates the greatest hardship for low-income families struggling with student loan debt where a difference of 5 percent of income is most visible. While current law allows low-income borrowers to have a payment as low as \$0, H.R. 4508 imposes a \$25 minimum monthly payment. Committee Democrats fear this provision will send the most vulnerable borrowers into default.

The bill also removes any certainty of loan forgiveness (referred to as 'cancelation' in H.R. 4508) for borrowers enrolled in the program's one IBR plan. Unlike current law that includes forgiveness of existing loan debt after 20–25 years of payments for income-driven repayment plans, H.R. 4508 bases eligibility for forgiveness on the amount repaid, regardless of a borrower's length of time in repayment. This would have a disproportionate impact on the lowest income individuals. For example, under H.R. 4508, it could take a low-income borrower with just \$30,000 in student loan debt 138 years in IBR before he or she qualified for loan forgiveness.²³ H.R. 4508's changes to IBR ensure that upper income borrowers reap the greatest benefit from a repayment vehicle intended to help low-income borrowers.

The bill also eliminates PSLF for new borrowers in the ONE Loan program, despite overwhelming popularity of the program. PSLF, created in 2007, rewards students who forgo employment in the private sector to take jobs in public service. Under current law if a borrower makes 10 years of payments while employed in a public service job (e.g., teacher, nurse, police officer), they are eligible to receive forgiveness on whatever portion of their loan remains after the 10 years of payments.

H.R. 4508 makes no improvement to the process of loan rehabilitation and default. Independent analysis has found that student loan rehabilitation programs are not serving students and filling the coffers of debt collectors. According to the Consumer Financial Protection Bureau (CFPB) nearly one in three borrowers who goes through the loan rehabilitation process will default again.²⁴ There is no real check to ensure that debt collectors shepherding borrowers through the rehabilitation process are working in the best interest of the borrower. Additionally, with Obama-era guidance rescinded under the Trump administration, debt collectors can again charge exorbitant fees (up to 16 percent of principal and interest) for the rehabilitation process that often leads borrowers back into default. H.R. 4508's solution is to allow these borrowers to go through a broken rehabilitation process for a second time.

Finally, H.R. 4508 includes language that would exempt companies contracted by the Department of Education to service student loans and collect on defaulted loans from enforcement under State and local law. States have a well-established role in protecting their residents from fraudulent and abusive practices, and several States have used this authority to take legal action to protect con-

²³ IAStatement of Persis Yu, Director of Student Loan Borrower Assistance Project, National Consumer Law Center, available at <https://www.nclc.org/media-center/house-edu-bill-ends-student-protections-lifetime-debt.html>.

²⁴ Consumer Financial Protection Bureau, *Annual Report of the CFPB Student Loan Ombudsman* 4 (2016).

sumers. This provision is an overreach of federal education law, as it preempts the authority of State and local authorities from engaging in oversight to protect their postsecondary students and consumers from fraud and abuse.

Committee Democrats introduced several amendments to improve and make more equitable the loan-related provisions of H.R. 4508. Reps. Bonamici, Takano, and Wilson introduced an amendment to strike the ONE Loan program created by H.R. 4508 and reinstate the existing Direct Loan program, making subsidized loans and PSLF available to these borrowers. Because Committee Democrats also believe HEA reauthorization must simplify federal student aid, the amendment also sought to streamline the multitude of existing repayment plans into one fixed repayment plan and one IBR plan that better serves low-income borrowers. Further, this amendment requires new borrowers to undergo annual counseling while streamlining the loan disclosures currently mandated in HEA, and enhances entrance and exit counseling. This amendment also sought to eliminate origination fees on federal student loans and require a borrower's prepayment amount to be applied first toward outstanding fees. Additionally, this amendment sought to strike state preemption language from the ONE Loan, strengthen consumer protections and protect student loan borrowers from the severe consequences of default. The Bonamici amendment was rejected along party lines.

Rep. Courtney offered an amendment to allow new ONE Loan borrowers to be eligible for PSLF and extend PSLF eligibility to farmers and employees of veteran service organizations. While the amendment was not adopted, it was supported by two Committee Republicans evidence of the bipartisan opposition to the Republican proposal to eliminate this important program. Rep. Grijalva offered an amendment to stop the garnishment of Social Security benefits to pay student loans. The amendment was ruled non-germane. Rep. Courtney also offered an amendment to give current student loan borrowers an opportunity to refinance their debt at the same low rates offered to new borrowers this school year. The amendment also allowed borrowers in H.R. 4508's ONE Loan to refinance should rates decrease in future years. The amendment also allowed private student loan borrowers who are in good standing to refinance private student loans at lower federal student loan rates. While the amendment was not adopted, Mr. Grothman joined with Committee Democrats to vote in favor of the amendment.

Campus-based aid

Again, in the name of "simplification," H.R. 4508 eliminates campus-based aid programs that provide students with additional sources of funding for their education. H.R. 4508 completely eliminates two campus-based aid programs: the Federal Supplemental Educational Opportunity Grant (FSEOG) and the Perkins Loan program. By eliminating FSEOG and failing to restore the Perkins Loan program, H.R. 4508 makes college more expensive for students and working families. Although H.R. 4508 nearly doubles the federal allocation for the Federal Work-Study (FWS) program and makes equitable changes that improve the program's allocation for-

mula, the totality of the bill's changes to campus-based aid programs negates those improvements.

H.R. 4508 makes additional changes to the FWS program that Committee Democrats fear would result in increased costs to students. Under H.R. 4508, graduate students are barred from participation in FWS, removing another source of federal student aid for these students and driving them to the private market to finance their education. H.R. 4508 also requires a larger investment from participating institutions and allows less FWS money to be used to fund students directly. Currently, institutions are required to pay 25 percent of a student's compensation but H.R. 4508 requires institutions to double their share. At the same time, H.R. 4508 removes a 25 percent cap on how much Federal money can be spent to operate FWS programs at private companies.

While Committee Democrats believe there is some benefit to off-campus employment, especially in a student's final academic years, research shows that new students benefit from institutional connectedness derived from on-campus employment.²⁵ These changes would limit aid available for students, send more federal money to private companies that have no track record of success, and create an incentive for for-profit institutions to participate in the program, especially if such institution is owned by a corporation that also holds non-institutional entities. Lastly, H.R. 4508 allocates additional FWS dollars to reward institutions based on success in serving low-income students. Committee Democrats do not oppose this program improvement, but do oppose H.R. 4508's provision to divide the additional funds by sector, as to do so effectively guarantees that for-profit institutions with poorer track records of serving Pell students will receive bonus funds while non-profit institutions with better track records will not receive additional federal dollars.

Rep. Bonamici offered an amendment to strike and replace H.R. 4508's campus-based aid provisions with provisions to strengthen the federal commitment to campus-based aid and to the low-income students served by these important programs. The amendment sought to restore FSEOG, reauthorize the Perkins Loan program, and make improvements to FWS by building upon program reforms made in the underlying bill and restoring eligibility for graduate students to participate in the program. The amendment was rejected on a party line vote.

Federal—State partnerships

In addition to strengthening federal student aid, Committee Democrats firmly believe that HEA reauthorization must include a mechanism to incentivize state investment in higher education.

Sustained public investment via a Federal-State partnership would slow growth in college costs and make higher education more affordable. Committee Democrats believe such a partnership is also necessary to drastically reduce the financial burden of higher education on working families, as the majority of postsecondary students attend public two- and four-year nonprofit colleges and universities.

²⁵Melisa J. Beeson & Roger D. Wessel, The Impact of Working on Campus on the Academic Persistence of Freshmen, 32 J. OF STUD. FIN. AID 37 (2002) available at: <http://publications.nasfaa.org/jsfa/vol32/iss2/3>.

In 2015, President Barack Obama first proposed America's College Promise, a plan to provide up to two years of tuition- and fee-free community college in partnership with States. Modeled after America's College Promise, Ranking Member Scott offered an amendment to H.R. 4508 to use federal funds to provide direct grant aid to States to leverage reforms, a maintenance of state investment in higher education, and to make an associate's degree free for every student. The amendment also sought to provide grant aid to low-income students who transfer from a community college to an MSI for the remainder of their degree. The amendment was not adopted by the Committee.

H.R. 4508 IS A CASH WINDFALL FOR-PROFIT INSTITUTIONS

H.R. 4508 provides unprecedented financial support for for-profit institutions of higher education (IHE) and other corporate interests. Committee Democrats find this troubling, especially given the documented history of failures in the for-profit industry which includes disproportionately high levels of student loan default; grossly expensive programs that result in little to no financial benefit for students; high-pressure sales tactics designed to entice students (and their federal aid dollars); and the receipt of hundreds of millions of dollars in federal student aid due in part to fraud or misrepresentation.

Committee Democrats recognize that the needs of students and employers are changing and higher education and the laws that govern it must be responsive to those changes. However, H.R. 4508 changes long-standing definitions in HEA that have implications beyond higher education. The bill eliminates regulations that protect the interests of students and taxpayers, and puts the short-term needs of industry ahead of the long-term needs of students and our country. Further, the bill significantly changes how accreditors grant accreditation to IHEs making it much easier for for-profit institutions to get away with harmful practices. CBO estimates that seven different proposals in H.R. 4508 that will disproportionately benefit for-profit IHEs would cost taxpayers a total of \$9.1 billion over ten years. Finally, H.R. 4508 ties the hands of the Department of Education by prohibiting it from setting meaningful compliance standards through regulation.

The Case for the Regulation of For-Profit IHEs

Evidence of waste, fraud, and abuse of federal funds by the for-profit sector has existed since the passage of the GI Bill in 1944. Under the Truman and Eisenhower Administrations, Congress authorized legislation in between 1948 and 1952 that tightened access to GI Bill funds by the for-profit sector. Wanting to avoid similar abuse seen with the GI Bill program, the Higher Education Act of 1965 excluded for-profit institutions from the federal loan guarantee program it created, but these institutions were allowed to access a much smaller vocational school loan program.²⁶ However, when the two programs were merged in 1968, for-profits gained access to the larger loan program in the Higher Education Act. The

²⁶The Century Foundation, Vietnam Vets and a New Student Loan Program Bring New College Scams, (Feb. 13, 2017) available at <https://tcf.org/content/report/vietnam-vets-new-student-loan-program-bring-new-college-scams/>.

country then saw an exponential growth of for-profit IHEs following Congress' decision to allow these institutions to access Title IV funds in the 1972 reauthorization of HEA. Incidents of fraud and abuse highlighted systemic problems, and in 1975, the Department of Health, Education, and Welfare issued regulations to review schools where high percentages of students were taking out student loans and ensure vocational schools were making certain consumer disclosures.²⁷

Following successful efforts to weaken federal regulations, the sector experienced a 600 percent student enrollment increase between 1990 and 2010. There is a litany of evidence that for-profit IHEs are disproportionately a bad bet for students, even dating back to these earlier years.²⁸ For example, in 1990, when cohort default rates were at an all-time high, for-profit institutions had a default rate nearly twice as high as the overall rate (41 percent compared with 22 percent, respectively). A 1997 Government Accountability Office (GAO) investigation found a strong negative correlation between for-profit institutional reliance on Title IV funds and student completion, placement rates, and student loan defaults. Simply put: for-profit institutions deriving the most revenue from federal student aid dollars had the worst student outcomes. GAO's investigation exposed a for-profit sector-specific failure to educate and prepare students for workforce entry, at a grave cost to taxpayers. Further, GAO and the Department of Education's Office of the Inspector General (OIG) found that for-profit institutions were disproportionately recruiting low-income students, leading Congress to impose additional oversight of the for-profit sector. Yet, systematic abuse within this sector remains today. Despite these findings, 1996, 1998, 2002 and 2006 brought deregulation of the for-profit sector resulting in four major protections that were either weakened or eliminated.²⁹

While the precipitous closures of Corinthian Colleges, Inc. in 2015 and ITT Tech in 2016 are glaring examples of the systematic abuse within this sector,³⁰ abusive practices within the for-profit sector are not solely at the work of singular bad actors. In a January 2017 report, the Center for Investigative Reporting found that "over the past decade, there have been at least 65 State and Federal investigations against for-profit colleges. More than 25 of these investigations have ended in court settlements or judgments worth over \$1.5 billion."³¹

News-making scandals aside, there is a more concerning and foundational problem with the for-profit sector—the education of-

²⁷ Center on Budget and Policy Priorities, *Protecting Students and Taxpayers: Why the Trump Administration Should Heed History of Bipartisan Efforts*, available at https://www.cbpp.org/research/federal-budget/protecting-students-and-taxpayers#_ftnref12.

²⁸ Congressional Research Service, *Examination of the Current 90/10 Rule and Its Legislative and Regulatory History*. January 25, 2011.

²⁹ Center on Budget and Policy Priorities, *Protecting Students and Taxpayers: Why the Trump Administration Should Heed History of Bipartisan Efforts*. https://www.cbpp.org/research/federal-budget/protecting-students-and-taxpayers#_ftnref12

³⁰ For an in-depth account by Congress of some of the worst abuses in the for-profit industry, see *For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success*, a report produced by the Senate Committee on Health, Education, Labor and Pensions (HELP), the product of a two-year investigation by the Committee from 2010–2012. Available at https://www.help.senate.gov/imo/media/for_profit_report/PartI.pdf.

³¹ Sarah Alvarez, *For-profit College Industry Slips Through Cracks of Accountability*, REVEAL, Jan. 10, 2017, available at <https://www.revealnews.org/article/for-profit-college-industry-slips-through-cracks-of-accountability/>.

ferred at these institutions is, in too many cases, not worth the high cost to student borrowers. For example, average tuition at for-profit two-year colleges is more than four times higher than at public community colleges (\$14,193 compared with \$3,370, respectively, in 2014). Students take out exorbitant debt to pay for for-profit IHE credentials that fail to produce corresponding personal value in the workforce. Research shows that for-profit IHEs contribute an unreasonably high share of student loan defaults.³² The same research finds that the average student earning a two-year degree from a for-profit IHE does not experience a large enough gain in earnings to offset the costs of their education.³³ In short, a student earning an Associate's degree from a for-profit IHE would derive greater economic benefit from directly entering the workforce, without having earned the for-profit credential and the exorbitant debt that comes with it.

The negative long-term effects on the federal student loan portfolio due to proliferation of for-profit IHEs are just beginning to come into focus, and the initial data are troubling. In a recent report looking at the long-term characteristics of two cohorts of student borrowers, 52 percent of borrowers at for-profit IHEs who entered school in 2003–04 have already defaulted on their loans.³⁴ This is twice the rate of borrowers at two-year public IHEs. When you compare all students, not just borrowers, the rate of default among for-profit IHE students is four times higher than those at community colleges.³⁵ The 2003–04 cohort in this study predates the rapid expansion of enrollment at for-profit IHEs that began in the late 2000s, which suggests that these trends will get far worse before they get better. Research also shows that, unlike non-profit institutions, for-profit institutions actually increase tuition and fees to capture additional federal financial aid dollars.³⁶ Despite this overwhelming evidence of the need for federal oversight of the sector to protect students and taxpayers, H.R. 4508 rewrites and repeals many of the provisions in current law that attempt to regulate the for-profit sector's access to federal student aid, beginning with how these schools are defined in the law.

Redefinitions that more favorably position for-profit institutions in federal statute

HEA currently contains multiple definitions of IHEs due, in part, to the merging of definitions in HEA with those in the National Vocational Loan Insurance Act of 1965. HEA originally limited federal financial aid to students attending “public or other non-profit institutions of higher learning.” Whereas, the Vocational Act expanded eligibility for aid to students who attended private for-profit schools but only for programs of “postsecondary vocational or technical

³² Stephanie Riegg Cellini and Lakita Chaudhary, *The Labor Market Returns to a For-Profit College Education*, NAT'L BUR. OF ECON. RES. 11 (2012) available at <http://www.nber.org/papers/w18343>.

³³ *Id.* at 27.

³⁴ Judith Scott Clayton, *The Looming Student Loan Default Crisis Is Worse than We Thought*, 2 *Brookings Evidence Speaks Rept.* #34 at 1, Jan. 10, 2018, available at <https://www.brookings.edu/wp-content/uploads/2018/01/scott-clayton-report.pdf>.

³⁵ *Id.*

³⁶ Stephanie Riegg Cellini & Claudia Goldin, *Does Federal Student Aid Raise Tuition? New Evidence on For-Profit Colleges*, NAT'L BUR. OF ECON. RES. Working Paper (2012, REV'D 2013) available at <http://www.nber.org/papers/w17827.pdf>.

education designed to fit individuals for *useful employment* in recognized occupations.”³⁷ When Congress combined these two laws in 1968, two classes of schools were created. The schools previously covered by HEA became “institutions of higher education”; the Vocational Act schools and similar programs at public and non-profit schools became “vocational schools”, still eligible for federal aid, but subject to the same *useful employment* language from the Vocational Act.

In 1992, Congress again revised the “vocational schools” definition, distinguishing “proprietary institutions of higher education” (private for-profit schools) from “post-secondary vocational institutions” (non-degree training and vocational programs at public and non-profit schools). Both proprietary schools and the vocational programs at public and non-profit schools were required by law to “prepare students for gainful employment in a recognized occupation.” HEA currently recognizes all of these schools as “institutions of higher education” but still appropriately recognizes the distinction between public and non-profit institutions (“101(a) institutions”) and “any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation” (“101(b) institutions”).

H.R. 4508 merges two definitions in current law, allowing for-profit IHEs to compete for already limited federal grant dollars currently reserved for non-profit degree granting IHEs. Committee Republicans did place some limitations on which federal programs proprietary schools can receive funding from, excluding Institutional Aid (Title III) and Developing Institutions (Title V) programs. But under H.R. 4508, proprietary schools would have access to more funds authorized in HEA than they do currently.

Committee Democrats are also troubled by the implications of this change outside the scope of HEA. There are other provisions of law throughout the U.S. Code and State codes that reference the 101(a) definition of IHEs, often with the direct intent to exclude for-profit IHEs from access to federal programs. This includes both laws directly related to education and child development (K–12 education,³⁸ Head Start,³⁹ Education Sciences⁴⁰) and laws that are beyond the scope of education and child development (Immigration,⁴¹ the Federal Aviation Administration,⁴² Patent Law,⁴³ Institutional Grant and Student Scholarship programs throughout the federal government⁴⁴). There are many other laws that use a broader definition that includes both non-profit and for profit IHEs⁴⁵, which shows that statutory use of the 101(a) definition in current law is evidence of lawmakers’ deliberate exclusion of for-profit institutions from certain sources of federal funds or allow-

³⁷ *Ass’n of Proprietary Colls. v. Duncan*, No. 1-14-cv-08838 (S.D.N.Y. May 27, 2015) at 7.

³⁸ Elementary and Secondary Education Act of 1965, 20 U.S.C. § 7801.

³⁹ Omnibus Budget Reconciliation Act of 1981, 42 U.S.C. § 9832.

⁴⁰ Education Sciences Reform Act of 2002, Pub. L. No. 107–279, 116 Stat. 1940.

⁴¹ *E.g.*, 8 U.S.C. § 1184 (providing exclusion from limitations on visas issued to nonimmigrant aliens who are employees of 101(a) IHEs).

⁴² FAA Modernization Act of 2012, Pub. L. No. 112–95, 126 Stat. 139 (regarding research on developing safer airport runways).

⁴³ 35 U.S.C. § 273 (defenses to copyright infringement afforded 101(a) IHEs).

⁴⁴ *E.g.*, 42 U.S.C. § 1862n (Math and Science Partnership Grants from the National Science Foundation).

⁴⁵ *E.g.*, Workforce Investment Act of 1998 20 U.S.C. 9202 (“The term ‘institution of higher education’ has the meaning given the term in section 101 of the Higher Education Act of 1965.”).

ances under federal law. By removing this distinction, Committee Republicans are attempting to alter Congress' history of limiting the access of for-profit institutions across the federal code.

H.R. 4508 also alters the definitions of IHE for the purpose of Title IV programs in Sec. 102 of HEA. The changes impact how IHEs outside the United States receive Title IV aid. Under current law the Secretary is directed to establish the criteria for determining which, if any, foreign IHEs can receive Title IV aid. H.R. 4508 seems to incorporate those underlying regulations, while at the same time creating its own definition of foreign institution, different than the regulatory definition incorporated. Finally, in recognition of the conflict it has created, the bill suggests that the new first definition is the actual definition of "foreign institution". This overwrought complexity does nothing but make it easier for for-profit foreign schools to find loopholes through which they can receive Title IV aid.

Finally, the bill creates new definitions of competency, competency-based education (CBE), and competency-based education program. These terms replace the current law term "distance education" in key places throughout the HEA to loosen federal oversight over disbursement of Title IV dollars. Committee Democrats are highly concerned that this change of definition (along with the watering down of the definition of "correspondence education") will have serious implications for the provision of quality higher education programs. As defined, CBE will give for-profit institutions the ability to disproportionately access Title IV federal student aid without providing enough of a legal and regulatory framework to ensure the schools receiving federal dollars for delivery of CBE, as defined in H.R. 4508, provide students with a meaningful education or valuable credential. CBO estimates that removal of the "distance education" definition and the creation of a "competency-based education" definition will together cost the federal government \$2.9 billion over the next ten years. A disproportionate amount of these funds will likely flow to for-profit schools. Additional concerns with CBE are discussed in-depth later in these views.⁴⁶

Legislative Repeals, Regulatory Rollbacks, and Bans on Departmental Rulemaking

H.R. 4508 dismantles the regulatory framework designed to prevent predatory for-profit IHEs from enriching themselves at the expense of students and taxpayers. While the set of statutory and regulatory oversight mechanisms repealed by the bill has failed to prevent all for-profit sector abuse of federal funds, it has been instrumental in preventing for-profit schools from existing solely thanks to receipt of federal student aid and ensuring that both for-profit and non-profit career program credentials lead to a job commensurate with their cost. H.R. 4508 will make it easier for schools to alter program hours and lengths to receive more money for less education. The bill weakens the role of States in the regulatory triad of higher education, and will make it easier for for-profit

⁴⁶ See *infra* Part: "H.R. 4508 Doubles Down on Unproven Programs in Higher Education, at the Expense of Students".

IHEs to avoid necessary oversight, accomplishing the primary policy goal of the industry on the backs of students and taxpayers.

H.R. 4508 eliminates the 90/10 requirement for for-profit colleges. Current law requires that for-profit IHEs receive no more than 90 percent (previously 85 percent) of their total revenue from federal Title IV aid. This market-value provision was created by Congress during the 1992 reauthorization to ensure that for-profit entities were not deriving all of their revenue from the federal government. The idea of monitoring an institution's dependence on federal funds was already being applied in veterans' assistance programs due to the abuse that had taken place with veteran benefits decades earlier and evaluations of these programs had found that the policy had helped to curb abuse.⁴⁷ Because many for-profit schools recruit veteran students and only financial aid authorized through the HEA is accounted for in the calculation, there is mounting evidence that the 90/10 requirement does not do enough to stop abuse in the for-profit sector. While some leaders in the for-profit sector such as DeVry University have decided to take all federal funds into account in their 90/10 calculations, this is self-imposed action. In the most recent reporting period for which we have data, of the 1,872 for-profit IHEs, only four reported failing the 90/10 rule.⁴⁸ Committee Republicans still claim the 90/10 rule is a burden on schools and repeal the requirement. CBO estimates that repeal of the 90/10 rule will cost taxpayers \$3.3 billion over ten years.

H.R. 4508 eliminates the existing borrowers defense to repayment rule. Issued in 2016, the "borrowers defense" rule established a federal standard and process to determine whether a student loan borrower has a defense to repayment of their loan based on an act or omission of their school. Additionally, it prohibited schools that participate in federal student aid from forcing students into pre-dispute arbitration or class action waivers. The rule also clarified policies around when loans can be discharged collectively for groups of borrowers (e.g., when a school closes). The Obama administration used the combination of borrowers' defense and closed school discharges to provide more than \$558 million in loan relief to tens of thousands of student borrowers.⁴⁹ As of January 2017, there were more than 60,000 claims pending at the Department of Education.⁵⁰ H.R. 4508 repeals the 2016 regulations, and creates a statutory framework for borrowers defense. That framework permits borrowers only three years to file a claim and obtain relief, limits the Department's mandate to automatically provide closed school discharges to affected students, and sets an exceedingly high bar for borrowers to prove their claims, to the benefit of IHEs.

H.R. 4508 eliminates the statutory term "Gainful Employment" (GE) and the corresponding Rule. Finalized in October of 2014, the GE rule set a meaningful and necessary standard for the Depart-

⁴⁷ Congressional Research Service. Examination of the Current 90/10 Rule and Its Legislative and Regulatory History. January 25, 2011.

⁴⁸ Letter from Kathleen Smith, Acting Assistant Secretary, Department of Education, to Rep. Foxx (Oct. 20, 2017), available at <https://studentaid.ed.gov/sa/sites/default/files/fsawg/datacenter/library/AY15-16-Transmittal-Letter.pdf>.

⁴⁹ Press Release, U.S. Dep't of Educ., American Career Institute Borrowers to Receive Automatic Group Relief for Federal Student Loans (Jan. 13, 2017) available at <https://www.ed.gov/news/press-releases/american-career-institute-borrowers-receive-automatic-group-relief-federal-student-loans>.

⁵⁰ *Id.*

ment of Education enforcement of compliance with the statutory requirement that non-degree training and vocational programs (career programs) at public and non-profit schools prepare their students for gainful employment in exchange for access to Title IV aid. The rule set this standard by establishing ratios between income and student loan debt to determine if career program graduates earn enough money to pay back their loans. It required both programs that failed outright and programs in the zone between passage and failure to proactively disclose this status to prospective students. Under the rule, a program “in the zone” or failing for multiple years would lose access to federal student aid. In the first round of GE data that was released January of 2017, 98 percent of the 800+ career programs that failed the rule were offered by for-profit colleges.⁵¹ Along with repealing the GE rule, H.R. 4508’s re-definition of IHE strikes “gainful employment,” eliminating the ability of the Department of Education to regulate on the concept in the future. CBO estimates removing the rule will cost taxpayers \$940 million over ten years.

H.R. 4508 revokes the credit hour rule. HEA defines an academic year for an undergraduate program as requiring a minimum of 24 semester or trimester credit hours or 36 quarter credit hours in a course of study. The amount of student financial assistance that can be awarded is based on the number of credit hours earned, but the term “credit hour” is not defined in the HEA. Further, many institutions are moving to a credit-hour fee structure, charging students per-credit, rather than per-semester. In recognition of the importance of the “credit hour” unit as an accounting measure for student financial assistance and in response to findings by the Department of Education OIG that accreditors (as required by HEA) did not have sufficient policies to ensure proper assignment of credit hours to educational programs or to justify program length, the Department defined a “credit hour” in final regulations issued October 29, 2010. This federal definition is consistent with commonly accepted institutional and accrediting practices, and allows for a broad application to a variety of course structures (such as competency based coursework, laboratory work, and internships). The definition applies to institutions for the purposes of awarding federal financial aid; it does not preclude an institution from creating a separate definition for institutional purposes. The credit hour rule created a more standardized, yet flexible, definition of the basis for awarding all federal aid. In one of the few hearings the Committee held on higher education this year, witness Ben Miller from the Center for American Progress justified the need for the rule as thus:

“I think one thing that is important to realize here is part of the reason why we needed this rule was we had colleges out there that were inflating credit hours to get more financial aid, so we had schools claiming they were offering courses worth nine credits that did not have the amount of learning behind that. When you do that, students pull down more financial aid than they should, so they’re going to exhaust their lifetime eligibility sooner,

⁵¹ *Id.*

and we're going to pay money out to schools faster than we should. . . . we want to make sure that schools aren't essentially taking in more money than they should, making it harder for students to get enough money to finish their whole program.”⁵²

In repealing the rule, H.R. 4508 would permit schools to inflate their credit hours, siphoning more taxpayer dollars through federal aid and forcing students to spend down their aid eligibility more quickly without receiving commensurate educational benefit. Not content to strike the existing rule, the bill also prevents the Department of Education from promulgating or enforcing a new credit hour rule in the future. Committee Democrats recognize that there have been discrete difficulties applying the current rule to all forms of higher education, but maintain the firm belief that the rule should be amended to ensure there is a meaningful compliance standard that appropriately comports with innovative delivery methods proven to benefit students. Committee Democrats believe that H.R. 4508's limitation on the ability of the Secretary to bring any rule to prevent waste, fraud, and abuse ignores evidence of past behaviors by scrupulous actors and invites fraudulent behavior.

H.R. 4508 repeals State authorization regulations. In order for students at an institution to be eligible for Title IV funds, an institution must be legally authorized by a State to provide a program of postsecondary education. The Department of Education's state authorization rules for brick-and-mortar and distance education institutions establish baseline requirements for the approvals that colleges receive from States to protect students across the country. The bill repeals those baseline protections, and like the credit hour rule, prohibits any future regulation by the Department of Education on state authorization.

H.R. 4508 shortens the program length requirement for Title IV programs. Under current law, programs that receive Title IV aid must have substantial timeframes to qualify for aid. The rationale is that funds appropriated for higher education should fund traditional programs that offer a complete postsecondary education program. Shorter-length programs can receive eligibility, provided they have strong completion and job-placement numbers—indicators of a quality program. H.R. 4508 would shorten the minimum timeframe for a program of study by a third, to just 10 weeks, and eliminate existing job placement requirements and completion rate standards for short term programs. This would permit students to access Pell Grants and loans to attend short-term programs without any assurance that the program's credential has meaningful value in the labor market. CBO estimates this provision will cost taxpayers \$305 million over 10 years.

H.R. 4508 opens the door to for-profit abusive recruitment practices. While HEA bans certain forms of incentive compensation, there are regulatory loopholes that allow for limited use of incentive-based compensation, specifically the use of third-party recruiters. It is likely that for-profit schools used these loopholes to fur-

⁵²Testimony of Ben Miller, Center for American Progress, at Hearing of the Committee on Education and the Workforce, “Strengthening Accreditation to Better Protect Students and Taxpayers”, Apr. 27, 2017.

ther abusive and fraudulent recruiting tactics during the explosion of enrollment at low-quality schools from 2009–2014. H.R. 4508 makes it harder to protect students from aggressive marketing and recruiting by codifying current regulatory loopholes used by the likes of ITT Tech and Corinthian to entice large numbers of low-income and low-information students to enroll in for-profit schools, often without the support necessary to even complete their degree, leading them down a path of debt and default.

H.R. 4508 allows unaccountable (and currently ineligible) education program providers to access taxpayer dollars. The bill would create an unaccountable, highly risky field of educational providers with full access to federal financial aid, in the name of innovation. The bill permits non-institutional education providers—those that haven’t met even the basic requirements colleges must meet in terms of accreditor, State, and Department of Education approval—to offer entire programs of study at an IHE, granting them access to federal aid with no checks and balances. An ineligible program could provide up to 25 percent of an educational program with no oversight whatsoever, and anywhere from 26–100 percent of a program with the approval of the eligible program’s accreditor. While Committee Democrats recognize that there are certain cases where a partnership between an ineligible program and an eligible program makes sense and can be a good deal for students (e.g., fine arts students splitting program time between a classroom and a working theater), this provision in H.R. 4508 is overly broad and would invite bad actors, especially those with a strong profit motive.

Weakening accreditation to benefit for-profit institutions

For-profit IHEs have been adept at creating an alternative narrative, mainly through billions spent on advertising and aggressive recruitment techniques. Although comprehensive numbers are not widely available, it is estimated that the for-profit IHE sector routinely spent at least 20 percent of its annual revenue on marketing and advertising over the last decade.⁵³ Coupled with the advertising were recruitment practices targeting low-information and low-income consumers. Targeting such consumers enabled the sector to dramatically increase student enrollment while maximizing access to billions of dollars in federal student aid.⁵⁴

Ignoring these facts, H.R. 4508 specifically eliminates the provision requiring an accreditor to assess recruiting and admission practices, record of student complaints, and record of compliance. Removing this requirement weakens yet another check on the for-profit sector. The bill also eliminates the need for accreditors to assess curricula, faculty, facilities, fiscal capacity, and measure of program length. Under H.R. 4508, accreditors are only required to evaluate success with respect to student learning and educational outcomes. The legislative language is clear that accreditors can in-

⁵³ See Senate HELP Report, *supra* note 30, at Part II, page 382 (“On average, among the 15 publicly traded education companies, 86 percent of revenue came from Federal taxpayers in fiscal year 2009.1535 During the same period those companies spent 23 percent of revenue on marketing and recruiting (\$3.7 billion) and dedicated 19.7 percent to profit (\$3.2 billion)”).

⁵⁴ Annie Waldman, *How a For-Profit College Targeted the Homeless and Kids With Low Self-Esteem*, PROPUBLICA, March 18, 2016, available at <https://www.propublica.org/article/how-a-for-profit-college-targeted-homeless-and-kids-with-low-self-esteem>.

clude different standards for different institutions and programs. Further, these standards may be established by the accreditor or by the institution/program if the institution/program defines and measures the expected goals and outcomes. Allowing institutions to self-regulate, combined with the other provisions in H.R. 4508 leaves the door open for further abuse of students.

Under H.R. 4508, for-profit colleges and corporate interests are the clear winners. The bill gives for-profit colleges unfettered access to Title IV funds without remotely adequate safeguards to protect students and taxpayers. Rather than work to increase access and affordability to quality degrees and credentials for all students, the bill opens the door to more waste, fraud, and abuse in higher education, with students and taxpayers left holding the bag.

In response to the flawed proposals that preference for-profit institutions in H.R. 4508, Rep. Takano introduced an amendment to restore the separate definition of for-profit institution, retain the Department of Education's ability to regulate on student protections from abuse by for-profit institutions, and reinstate the 90/10 rule. Further, to stop the aggressive recruitment of veterans, the amendment included a provision to count veteran benefits as federal dollars, an attempt to close the "90/10 loophole". The amendment restored State authorization requirements for distance education and current-law prohibitions on incentive payments for recruiters. Further, it specified strict conditions under which a non-eligible institution or organization in partnership with an eligible institution of higher education can access Title IV funds. The amendment failed on a party-line vote.

H.R. 4508 ABANDONS TEACHERS WHILE DISGUIISING LOW-QUALITY JOB TRAINING PROGRAMS AS APPRENTICESHIPS

Since its inception, HEA has included supports for the training and recruitment of teachers. H.R. 4508 eliminates all federal funding for teacher preparation programs. In its place, Committee Republicans offer a misnamed grant program that purports to provide "apprenticeships." Committee Democrats strongly dispute the claim that "apprenticeships" are offered under this new Title II. Instead, this re-write provides federal grants for a low-quality 'earn and learn' experience that has little relation to the registered apprenticeship program proven to result in quality credentials that have value in the workforce.

Although public education is experiencing a national teacher shortage,⁵⁵ H.R. 4508 eliminates all federal funding for teacher preparation programs. By eliminating Teacher Quality Partnership Grants and all other HEA authorized grant programs to enhance teacher education, H.R. 4508 would shrink the pipeline of effective teachers and school leaders, hurting students across the country. Committee Democrats strongly believe HEA programs that improve pre-service teacher preparation and support new teachers should be strengthened not eliminated.

⁵⁵Sophie Quinton, *Teacher Shortages Linger in Many States*, PEW CHARITABLE TRUSTS STATELINE, Dec. 28, 2017, available at http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2017/12/28/teacher-shortages-linger-in-many-states?utm_campaign=2018-01-02+SW&utm_medium=email&utm_source=Pew.

Instead of strengthening the teacher pipeline, H.R. 4508 creates a new grant program in which corporations, collaborating with institutions of higher education (including for-profit institutions), are eligible to receive federal funds for programs branded as “apprenticeships.” These programs have few if any of the quality controls generally associated with high quality apprenticeship programs. Although the bill labels this program as an “apprenticeship” program, in reality this is an *earn-and-learn* grant program that fails to meet widely accepted minimum standards for apprenticeship programs. Grants awarded to providers under H.R. 4508 could be used to fund something more akin to a subsidized internship, than an actual apprenticeship.

Although there is broad bipartisan support for expanding access to quality apprenticeship programs, Committee Democrats believe the registration process provides necessary quality control and program accountability that has been key to the programs’ success. Registered Apprenticeship (RA) is a proven model of job preparation that combines paid on-the-job training with related classroom instruction to progressively increase workers’ skill levels and wages. For workers, RA means a real job that leads to a credential that is valued in the labor market. Apprentices are paid for their time spent on the job, accumulate little to no student debt, and are generally retained once they have successfully completed their programs. Many RA programs also have the added benefit of eligibility for certain federal financial aid programs.⁵⁶

Graduates of RA programs receive nationally-recognized, portable credentials, and their training may be applied toward further post-secondary education. RA programs require the submission of detailed standards documentation on the apprenticeship for a specific occupation to the U.S. Department of Labor’s (DOL) Office of Apprenticeship or the State apprenticeship agency for review and approval. These standards demonstrate that an apprenticeship meets the five core components required for a registered apprenticeship: direct business involvement, on-the-job training, related (classroom) instruction, rewards for skill gains (wage scale), and a national occupational credential. These standards requirements allow every graduate of an RA program to receive a nationally-recognized portable credential, the Certificate of Completion, which signifies that the apprentice is fully qualified to successfully perform an occupation.⁵⁷ None of this is required for H.R. 4508’s “apprenticeship” program. Additionally, the new program authorized by H.R. 4508 would be administered by ED, not DOL, and wholly duplicative of the \$1.3 billion program authorized by the Carl D. Perkins Career and Technical Education Act (Perkins CTE) already administered by ED. The Perkins CTE program sends federal funds to support quality CTE developed by community colleges in partnership with industry.

⁵⁶ Employment and Training Administration, U.S. Dept. of Labor, *The Federal Resources Playbook for Registered Apprenticeship*, 2, available at <https://www.doleta.gov/oa/federalresources/playbook.pdf> (outlining how Pell and Work-Study funds are available to support students in registered apprenticeships).

⁵⁷ Employment and Training Administration, U.S. Dept. of Labor, *Training and Employment Guidance Letter WIOA NO. 13–16, Operating Guidance for the Workforce Innovation and Opportunity Act*, Jan. 12, 2017, available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_13-16_acc.pdf.

According to the Center for American Progress, 87.4 percent of apprentices who finished high-quality training were employed shortly after completion of the apprenticeship.⁵⁸ Apprenticeship completers also make middle-class wages. The Department of Labor estimates that the average wage for an individual who has completed an apprenticeship is \$50,000. Over a lifetime, this can add up to approximately \$300,000 more in wages and benefits.⁵⁹ The RA program has an established track record of providing high-quality job training. By creating a lesser “apprentice” model, H.R. 4508 uses the buzzword of “apprenticeship” to provide direct aid to industry while offering an inferior education and training program for students.

Rep. Wilson introduced an amendment to strike the repeal of the Teacher Quality Partnership Grant program, TEACH Grant program, and other supports for college students wanting to pursue the teaching profession. Rep. Davis introduced an amendment that would require the Department of Education to consult with the Department of Labor in creating and administering the grant program established by H.R. 4508 to ensure program quality. The amendment also sought to change the name of the new grant program to clarify that the program authorized is an “earn and learn” program, not an apprenticeship program. Both amendments failed on a party line vote.

H.R. 4508 DISINVESTS IN INSTITUTIONS THAT SERVE LOW-INCOME,
MINORITY, AND RURAL STUDENTS

While H.R. 4508 includes multiple provisions that will benefit for-profit schools to the detriment of students, there are two other under-resourced institutional sectors that serve as engines of economic mobility but do not receive such favorable treatment: community colleges and Minority Serving Institutions (MSIs). This is disappointing because not only do such schools disproportionately enroll low-income, minority, and first-generation students, but they also produce better student outcomes than for-profit schools. Community colleges and MSIs provide a better education for many students at a cheaper price than for-profit schools, and there are several policies in H.R. 4508 that will negatively impact their capacity to serve students. Committee Democrats believe a reauthorized HEA must build the capacity for community colleges and MSIs to deliver quality programming not hinder the work of these schools. To that end, Committee Democrats offered a number of amendments to ensure adequate federal resources for community colleges and MSIs.

“Risk-sharing” proposal poses significant risk to institutions that serve vulnerable students

H.R. 4508 restructures the existing Return to Title IV (R2T4) process that requires institutions to return funds to the federal

⁵⁸ Ben Olinsky and Sarah Ayres, *Training for Success, A Policy to Expand Apprenticeships in the United States* 10, CTR. FOR AM. PROG. Nov. 2013, available at https://www.americanprogress.org/wp-content/uploads/2013/11/apprenticeship_report2.pdf

⁵⁹ Angela Hanks, *Now is the Time to Invest in Apprenticeships*. Center for American Progress. November 18, 2016. <https://www.americanprogress.org/issues/economy/reports/2016/11/18/292558/now-is-the-time-to-invest-in-apprenticeships/>

government when a student withdraws before the end of a semester. The bill increases the proportion that institutions must return, disproportionately impacting institutions that enroll higher proportions of students who are at-risk of withdrawing prior to completion. This provides institutions perverse incentive to enroll higher-income students who are already more likely to repay. Democrats support “risk-sharing” that will incentivize institutions to effectively serve and ensure degree completion of high-need students, not deny such students access.

Minority serving institution funding and requirements attached to such funding

To correct for historical inequities in funding and to improve the quality of higher education for minority-students, Congress established minority-serving institution (MSI) designations for public and private non-profit institutions. Starting with Historically Black Colleges and Universities (HBCUs) in 1986, Congress eventually recognized seven different undergraduate designations of MSI, all with their own requirements for recognition, institutional characteristics, and challenges. Collectively, in the 2013–14 academic year, MSIs served 40 percent of underrepresented students, totaling approximately 3.8 million students or 26 percent of all college students.⁶⁰ MSIs do this work despite being under-resourced compared to Predominantly White Institutions.⁶¹

In an effort to address this resource gap, Congress provides institutional aid to MSIs via formula funding and competitive grants in Titles III and V of HEA. These programs are funded by both discretionary spending and direct spending (first secured in FY 2011 as part of the Student Aid and Fiscal Responsibility Act (SAFRA)). These institutional aid funds can be used by institutions in a variety of ways including supporting the academic mission of the institution, making capital improvements, and building endowment funds. The mandatory portion of these funds expires in FY 2019, and MSIs and their member organizations have prioritized securing this mandatory funding in any HEA reauthorization.

H.R. 4508 does not extend this mandatory funding, leaving the fate of these institutional aid programs in the hands of appropriators and threatening long-term funding stability. Additionally H.R. 4508 places a 25 percent graduation/transfer requirement on certain MSI grants. Instead of penalizing already underserved institutions, Committee Democrats believe that the federal government should help these institutions build capacity to improve student outcomes.

Rep. Adams introduced an amendment to repeal the 25 percent graduation and/or transfer rate requirement created for some but not all MSI programs in H.R. 4508. The amendment also extended mandatory funding for MSI programs and revised allowable uses of funds, in response to the needs of each specific MSI sector. The Adams amendment established new grant programs to further sup-

⁶⁰2016–17 National Campaign on the Return on Investment of Minority Serving Institutions, Univ. of Penn. Center for MSIs, available at https://cmsi.gse.upenn.edu/sites/default/files/ROI_Report.pdf.

⁶¹*Id.* at 5 (“Total revenue per full-time equivalent student is roughly \$16,648 at four-year Minority Serving Institutions (MSIs) compared to \$29,833 at non-MSIs.”).

port MSIs and the students they serve, including an \$850 million MSI Innovation Fund to provide sustained funding on MSI campuses to drive innovative approaches to improving college completion for minority students, bolster STEM degree attainment, and improve the connection between MSIs and the private sector. The spending on this amendment would amount to a fraction of the cost of the proposed changes contained in H.R. 4508 intended to disproportionately benefit the for-profit IHE sector. The amendment failed on a party line vote.

Community college institutional funding

In recognition of the fact that open-access Community colleges enroll a diverse student body and more than 40 percent of all undergraduates, Committee Democrats offered amendments to improve community college capacity. Community colleges enroll the majority of all Native American and Latino undergraduate students (56 and 52 percent, respectively), and enroll two in five Black and Asian/Pacific Islander undergraduate students (43 percent and 40 percent, respectively).⁶² These institutions provide an affordable education and training close to home for students who attend part-time, work full-time, are from low-income families, or may be responsible for families of their own. Additionally, community colleges are often positioned as the only non-profit IHE in many rural communities throughout the country.

Despite the pivotal role of community colleges in our country, these institutions are often underfunded and underappreciated. Students at community colleges receive less public support than students at four-year research institutions. In 2011, per-pupil public funding at community colleges was \$7,420, while students attending four-year institutions received amounts more than twice as high.⁶³ HEA currently provides institutional aid to community colleges through the Strengthening Institutions Program (SIP) authorized in Title III, Part A. This program provides competitive grants to campuses that often use the funds to provide the wrap-around services that community college students often need to persist through to graduation or transfer to a four-year school. SIP grants are highly competitive with need outpacing the available grants considerably. Shockingly, H.R. 4508's response to the documented need of the community college sector was to eliminate the SIP program.

To ensure that community colleges have sufficient resources to serve their students, Rep. Norcross introduced an amendment to provide funding to support the expansion of effective community college completion programs through the delivery of comprehensive student support services, including academic advising, academic and career support, and financial support. The core components of the services are modeled after rigorously evaluated programs that have, through these services, removed barriers to full-time study and increased three-year associate's degree completion and transfer

⁶²Fast Facts 2017, American Association of Community Colleges, available at <https://www.aacc.nche.edu/wp-content/uploads/2017/09/AACCFactSheet2017.pdf>

⁶³Richard D. Kahlenberg, *How Higher Education Funding Shortchanges Community Colleges*, 4, The Century Foundation, May 28, 2015, available at https://tcf.org/assets/downloads/Kahlenberg_FundingShortchanges.pdf

rates.⁶⁴ In addition to these core supports, institutions receiving grants would have the flexibility to tailor their program to their unique needs. To ensure accountability to taxpayers and policy makers, the amendment requires all grantees to monitor and track student participation and measure academic progress toward clearly articulated program goals. Committee Republicans voted to reject the Norcross amendment.

H.R. 4508 REPEALS VALUABLE REGULATIONS WHILE INTRODUCING NEW REGULATION TO PROMOTE IDEOLOGICAL VIEWS

Throughout the markup, Committee Republicans characterized oversight and accountability over IHEs as “burdensome overregulation.” In contrast, Committee Democrats offered amendments and discussed the need to adhere to the original intent of the HEA—to improve access to higher education for capable students, regardless of income level.

Relaxing institutional drug prevention requirements during a national opioid crisis

H.R. 4508 sought to remove the current-law Program Participation Agreement (PPA) provision that requires IHEs receiving federal funds to implement drug and alcohol abuse prevention programming found in Title IV, while maintaining a corresponding requirement in Title I that carries no federal enforcement. The bill also repeals current-law authorization of grant funds to assist IHEs in developing and implementing effective prevention programs. This action ignores the data: approximately 64,000 Americans died from drug overdose last year, and the non-medical use of prescription drugs was highest among college-aged individuals.⁶⁵

Approximately 150 institutions are already responding by offering collegiate recovery programs and a growing number are offering substance-free or recovery-centered housing and other health interventions and support services to students struggling with or affected by addiction.⁶⁶ Rep. Shea-Porter offered an amendment to keep the PPA requirement for drug and alcohol abuse prevention programming as a condition of federal funding—a provision that has been in the HEA for the last 30 years—and strengthened the requirement to ensure that programs offered by the IHE are evidence-based and have a focus on opioid misuse to help combat the opioid epidemic. After some debate, this amendment was adopted by voice vote.

Removing campus voter registration requirements while republicans work to limit ballot access

H.R. 4508 weakens a current-law provision that requires colleges receiving Title IV funds to distribute voter registration information

⁶⁴ Strumbos, D., Kolenovic, & Z. Tavares, A. (2016). CUNY Accelerated Study in Associate Programs (ASAP): Evidence from Six Cohorts and Lessons for Expansion. In S. Whalen (Ed.), Proceedings of the 12th National Symposium on Student Retention, Norfolk, Virginia. (pp. 130–142). Norman, OK: The University of Oklahoma. Retrieved http://www1.cuny.edu/sites/asap/wp-content/uploads/sites/8/2016/11/CUNY-ASAP-NSSR-Proceedings_web_20161109.pdf

⁶⁵ Catherine Morris, *Experts: Colleges Have Role in Battling Opioid Epidemic*, DIVERSE! (Oct. 24, 2017) available at <http://diverseeducation.com/article/103785/>.

⁶⁶ Mariah, Bohannon, *The Opioid Crisis Comes to College*, INSIGHT INTO DIVERSITY (Oct. 17, 2017) available at <http://www.insightintodiversity.com/the-opioid-crisis-comes-to-college/>.

to students by moving the provision out of the PPA section and into a different title; thus, removing institutional accountability for failure to distribute voter registration information to students. Committee Democrats recognize that institutions of higher education, having long-served as places of civic engagement, play an integral role in supporting students to pursue civic engagement and participate in the democratic process. Rep. Krishnamoorthi introduced an amendment to strike H.R. 4508's harmful changes that dilute the current-law requirement that institutions distribute voter registration information. Unfortunately, the amendment was not adopted as it was opposed by Committee Republicans.

Regulations limiting the use of postsecondary data pass Committee Republican muster

The federal post-secondary data infrastructure is a complex, duplicative maze of federal reporting requirements that often leaves students and families without access to complete information. H.R. 4508 increases institutional burden by requiring institutions to report new program-level debt and earnings metrics. Although this is a step toward better data, H.R. 4508 does not overturn the outdated ban on a federal student-level data network, which would reduce institutional burden by eliminating the duplicative, inefficient, and incomplete data infrastructure currently in place. Additionally, H.R. 4508's new reporting requirement fails to address a current-law impediment to data quality by maintaining the limitation that data only be collected and reported for students receiving federal financial aid, omitting 30 percent of all students, and painting an incomplete picture of the nation's higher education system.

Committee Democrats believe that too many students remain missing from key college outcome metrics today. For example, even with recent updates to data on college completion, the updated measure does not disaggregate by race/ethnicity, nor does it measure completion after transfer.

Because Committee Democrats support a student-level data network that would allow for more complete reporting while reducing institutional burden, Rep. Polis introduced an amendment to strike the student unit record ban from HEA. Despite the cosponsorship of six Committee Republicans on stand-alone legislation to strike the student unit record ban, Committee Republicans collectively rejected the Polis amendment.

Unnecessary Speech Code Provisions

H.R. 4508 requires the disclosure of any policy related to protected speech on campus, including policies limiting where speech can occur for IHEs in receipt of Title IV funds. During markup, Committee Republicans passed, on a party line vote, an amendment expanding this provision, creating an office at the Department of Education tasked with responding to student complaints regarding IHE compliance with free speech policies. Committee Democrats objected to this amendment as we believe the purported "free speech crisis" underway on college campuses is more political

rhetoric driven by conservative ideologues rather than reality.⁶⁷ The amendment passed on a party-line vote.

H.R. 4508 CREATES TROUBLING EXEMPTIONS TO FEDERAL LAW FOR RELIGIOUS INSTITUTIONS

H.R. 4508 prohibits any Federal, State, or Local government entity from taking any adverse action (including withholding of funds) against an IHE in receipt of Title IV funds for failure to comply with HEA requirements, so long as the IHE's justification for noncompliance rests with the institution's religious mission or affiliation. This overly broad provision effectively exempts institutions, including for-profit institutions, from federal oversight in the name of religion.

Committee Democrats believe that religious institutions play a vital role in the U.S. system of higher education. Data from the ED Integrated Postsecondary Education Data System (IPEDS) show that during the 2015–2016 Academic Year, there were 7,180 main campuses of Institutions of Higher Education that participated in HEA, Title IV. Of those, 901 main campuses, or 12.5 percent, were religiously affiliated. These institutions are able to execute the responsibilities and requirements of the law while successfully maintaining their religious identities and missions, suggesting that the religious provisions of H.R. 4508 are a solution in search of a problem. H.R. 4508 creates an unnecessary carve out for religious institutions that want access to federal funding without abiding by federal civil rights laws or the federal oversight and accountability that accompanies acceptance of taxpayer funds.

This exemption is just one of many provisions addressing religion in H.R. 4508. The bill also exempts religious student organizations at public institutions from adhering to nondiscrimination protections for all students. It codifies a loophole in current regulations that exempts religious institutions from State licensing and authorization procedures and fraud oversight if State law allows the exemption, thereby encouraging additional States to adopt such an exemption. The bill expands the deference that must be given to religious institutions by accreditors by broadly defining what is included under the pretext of religious mission and expressly permitting institutions to self-define their missions. It establishes a complaint procedure for religious institutions against accreditors that is heavily and unfairly weighted to the benefit of such institutions. And although it does not carry the weight of law, H.R. 4508 expresses the sense of Congress that individuals should be free to profess and maintain their own opinions in matters of religion without curtailing their civil liberties or rights on IHE campuses. Additionally it expresses the sense of Congress that no public IHE receiving federal funds under HEA should limit religious expression, free expression, or any other First Amendment rights, without noting a Title IV-receiving institution's obligations to comply with federal civil rights laws.

Taken in total, the religious provisions in H.R. 4508 go far beyond the jurisdictional scope of HEA. As written, the bill permits

⁶⁷See e.g., Chris Ladd, *There is No Free speech Crisis on Campus*, Forbes, Sept. 23, 2017, available at <https://www.forbes.com/sites/chrisladd/2017/09/23/there-is-no-free-speech-crisis-on-campus>.

an institution's religious mission to supersede several federal civil rights statutes, such as: Title VI of the Civil Rights Act of 1965; Title VII laws against discrimination in employment based on sex, race, color, national origin, or religion; ADA employment laws to protect the disabled; Title IX laws against gender discrimination in a program or activity receiving federal financial aid; and the Fair Housing Act of 1968. Section 117 of H.R. 4508 essentially creates a limitless exemption for religious institutions to act in any way affecting any issue under the pretext of religion. In this sense, the provision has more in common with the First Amendment Defense Act (FADA)⁶⁸ or Religious Freedom Restoration Act (RFRA)⁶⁹ than higher education policy, as this broad exemption attempts to position freedom of religion as the pre-eminent first amendment right.

Aside from being broad in scope, the language of the religious provisions in H.R. 4508 is overly vague, and, as such, is open to dangerous interpretation. The bill broadly defines "religious mission" to include "religious tenets, beliefs, or teachings, and any policies or decisions related to such tenets, beliefs, or teachings (including any policies or decisions concerning housing, employment, curriculum, self-governance, or student admission, continuing enrollment, or graduation)." This broad language ensures that any action or failure to act on the part of an institution fits under the umbrella of "religious mission". It similarly defines "adverse action" equally broadly. In a final confounding turn, it appears that any attempt to enforce this provision would violate the provision on its face, by requiring the Department of Education to become involved in assessing a school's religious mission.

Almost 1,000 religious institutions currently receive funding under HEA while successfully complying with the law's present requirements. Moreover, several of the civil rights laws mentioned already contain their own limited religious exemptions. Title VII of the Civil Rights Act of 1965 permits religious employers to consider religion in employment decisions although they may not consider other protected classes. Title IX of the Education Amendments of 1972 allows religious institutions to request an exemption to consider religion in admission and certain other contexts within education, but it requires a determination that the institution is in fact controlled by a religious organization. The Americans with Disabilities Act includes an exemption for religious organizations.

Religious institutions can either follow federal education and civil rights laws and access federal funds, or they can choose not to follow such laws and forego access to federal funding. That is the prerogative of each institution. HEA as it currently stands is not an impediment to religious institutions receiving federal funds, nor does it require them to abandon or disregard their religious missions. Committee Democrats believe religious IHEs must continue to follow the same civil rights laws and be subject to the same oversight provisions as other institutions, which they successfully do now.⁷⁰

⁶⁸ <https://www.congress.gov/114/bills/hr2802/BILLS-114hr2802ih.pdf>.

⁶⁹ Pub. L. No. 103-141

⁷⁰ Standing with Committee Democrats are 50 civil rights, faith, religious freedom, LGBTQ, and reproductive rights organizations strongly opposed to provisions of H.R. 4508 that permit discrimination based on religion.

Ranking Member Scott offered an amendment repealing H.R. 4508's provisions that exempt religious institutions from civil rights laws and appropriate federal oversight. The amendment also repealed the other provisions of H.R. 4508 that attempt to place the religious rights of institutions or individuals on campus above other civil rights and legal requirements. This amendment failed due to a party line vote.

H.R. 4508 FAILS TO ADDRESS SERIOUS CONCERNS OVER CAMPUS SAFETY

College campuses should be havens for students to focus on education free from concerns for their safety. We know this is not the case, as incidents of campus sexual assault, racial violence, and hazing have all garnered national attention recently. The recent investigation into Title IX violations in the wake of the Larry Nassar scandal at Michigan State University are an example of what can happen when schools put their image above their student's safety and well-being. Similarly, the nation watched in horror when a mob of torch-wielding white nationalists descended on the University of Virginia (UVA) and marched through university grounds chanting racial epithets and intimidating students and faculty, in complete disregard of the Title VI and Equal Protection right to a safe learning environment.⁷¹ On each of these issues, H.R. 4508 offers policies that fail to adequately address, and in some cases would exacerbate the underlying problems. H.R. 4508 undermines protections for survivors of campus sexual assault, which could undermine the ability of IHEs to combat this pervasive issue. At markup, in an attempt to preempt a vote to express a sense of Congress condemning racial violence on campus, Committee Republicans adopted a hollow amendment offered by Rep. Garrett to support 'diversity and inclusion' that fails to speak to the growth of incidents of racial violence. And, despite adoption of the Thompson Amendment, the reported bill fails to treat the issue of campus hazing as a true threat to public safety.

H.R. 4508's inadequate approach to campus sexual assault

H.R. 4508 contradicts the intent of the Clery Act. The Clery Act is designed to ensure IHEs report crimes on campus to give policy-makers and the public a complete picture of student safety and security. As part of guidance to schools on campus sexual assault issued to IHEs in 2014, the Department of Education clarified which individuals on a campus had a duty to report an allegation of sexual violence for purposes of Clery reporting. This would not trigger an investigation automatically, but would require the IHE to report the incident. The definition of responsible employee included, any employee who "has been given the duty of reporting incidents of sexual violence or any other misconduct by students to the Title IX coordinator or other appropriate school designee, or

⁷¹"White Nationalists March on the University of Virginia." The New York Times, August 11, 2017. Available at: <https://www.nytimes.com/2017/08/11/us/white-nationalists-rally-charlottesville-virginia.html?mcubz=0>.

whom a student could reasonably believe has this authority or duty.”⁷²

Under H.R. 4508, IHEs must hire at least one sexual assault survivors’ counselor for victims of sexual assault. Counselors must be trained specifically in sexual assault, and each IHE must make a good faith effort to advertise the availability of sexual assault counselors. Most students would reasonably believe that a counselor mandated by their school to help them deal with the aftermath of a sexual assault would have the authority or duty to report the assault. Instead, H.R. 4508 prohibits counselors who provide services to victims of sexual assault from reporting the incident(s) and bars the consideration of such information as part of the Clery Act. This frustrates the Clery Act’s purpose, which requires the collection and reporting of such incidents. Mandating counselors but not requiring them to report incidents of sexual assault for inclusion in campus crime statistics, will compound the problem of under-reporting of sexual assault, allowing schools to misrepresent the nature of sexual violence on campus. With regard to provisions contained in H.R. 4508 that could amend or change the intent of Clery, at markup Chairwoman Foxx made a commitment to Rep. Davis to “before the bill is brought to the floor make absolutely certain, there is no misunderstanding of what we are trying to accomplish here.”

H.R. 4508 would allow schools to assess sexual assault claims using varying standards of evidence. Prior to 2014, IHEs used varying standards of evidence in sexual assault proceedings. While some schools used the preponderance of the evidence standard (the standard used in most civil cases), some schools used the more stringent clear and convincing evidence standard. As part of the Department of Education guidance in 2014 to standardize compliance expectations, schools are to use the preponderance of the evidence standard in resolving Title IX complaints.⁷³ Under H.R. 4508, each IHE would be allowed to set its own standard of review, so long as it is consistently applied throughout the institution. The result will be that the same actions on different campuses, possibly even between campuses in the same city, could be judged differently. Committee Democrats are concerned that allowing for varying standards will result in inequitable results on many campuses and note that enactment of this provision would result in Title IX violations held to a different standard than other violations on campus.

H.R. 4508 encourages IHEs to delay sexual assault investigations. Section 488 (f)(18) of H.R. 4508 allows IHEs to delay their own investigation into an allegation of campus sexual assault if the matter is also being investigated by law enforcement. This contradicts Title IX and related guidance, which finds that once a school “knows or reasonably should know of possible sexual violence, it must take immediate and appropriate action to investigate or otherwise determine what occurred.”⁷⁴ Schools are obligated to

⁷² Catherine E. Lhamon, Questions and Answers on Title IX and Sexual Violence, U.S. Department of Education, April 29, 2014, available at <http://www2.ed.gov/about/offices/list/ocr/docs/qa-201404-title-ix.pdf>. (Emphasis added).

⁷³ *Id.* at 13.

⁷⁴ *Id.* at 2.

promptly address the alleged incidents, regardless of the whether the allegation is addressed through the criminal justice system. In the words of the American Association of University Women,

“Under the provisions of H.R. 4508, schools would have an excuse not to investigate sexual assaults on campus at the request of law enforcement, possibly undermining students’ ability to seek justice and accommodation at their schools. In addition, this bill would give schools a pass on accurately disclosing annual crime data. The last thing students need is for schools to return to the days of sweeping sexual violence under the rug.”

Committee Democrats believe this provision will frustrate survivors’ attempts at resolution and could result in fewer victims coming forward to report to the institution due to inaction by the school to adequately address instances of campus sexual assault and impose institutional penalties to ensure student safety.

H.R. 4508 requires confusing campus climate surveys and prohibits data from being used to address Campus Sexual Assault. Section 162 of H.R. 4508 would require IHEs to conduct climate surveys and to use such surveys to improve the school’s response to sexual harassment and assault. However, the bill fails to require institutions to share survey findings with the students. Further, H.R. 4508 prohibits the Secretary of Education from creating uniform survey standards, using survey findings as a tool for comparisons among IHEs, and issuing regulations or technical assistance as a means to address the problem of campus sexual assault. According to a leading advocacy group for survivors of campus sexual assault, “The data [from proposed climate surveys], therefore, does not educate the public regarding the climate at any particular school, nor does it incentivize accountability.”⁷⁵

To address the regression made by H.R. 4508 on campus sexual assault, Reps. Davis and Bonamici offered an amendment to strike this language in the underlying bill. This amendment was defeated on a party line vote.

Campus racial harassment and violence

As introduced, H.R. 4508 was silent on the issue of racial and homophobic harassment and violence on college campuses. At markup two amendments were considered on this issue: one offered by Mr. Garrett (R-VA), and one by Ms. Wilson; The Garrett Amendment passed on a voice vote, the Wilson amendment failed on a recorded party-line vote. Committee Republicans intended the Garrett amendment to preempt a presumably uncomfortable vote on the Wilson amendment, as evidenced by the fact that the two amendments were similar, but with three distinct and substantive differences that render the language of the Garrett amendment, and H.R. 4508 as reported out of Committee, hollow. The adopted language fails to recognize the documented increase of racial and anti-LGBTQ violence and harassment, the rise of extremist organizations deliberately targeting college campuses to spread hostile hate speech that may violate an institution’s obligations under

⁷⁵ Letter to Reps. Foxx & Scott from Gaylynn Burroughs, Director of Policy and Research, Feminist Majority Foundation, Dec. 11, 2017.

Title VI of the Civil Rights Act, and the lack of legal protection for issues of sexual orientation and gender identity. Committee Democrats note that the Garrett amendment (and the Thompson amendment referenced below concerning campus hazing) was drafted by the majority less than 15 minutes prior to the start of markup, a breach of the Committee's good-faith practice of bipartisan exchange of amendments 24 hours prior to the start of Committee proceedings.

Committee Democrats recognize that all harassment and violence targeted at students should be condemned. But it is equally important to recognize both that specific types of incidents are increasing, and that there are specific organizations actively inciting harassment and violence targeted at specific student groups on college campuses. The Anti-Defamation League has documented the rise of incidents of propaganda targeting "minority groups, including Jews, Blacks, Muslims, non-white immigrants, and the LGBT community."⁷⁶ While Rep. Wilson's amendment mentioned only 5 campus incidents, the ADL has recorded 346 incidents of white supremacist propaganda appearing on 216 different campuses since September of 2016.⁷⁷ 290 of those 346 incidents occurred in 2017 and 18 have already occurred in 2018.⁷⁸ This documented increase in on-campus violence and harassment of minority student groups is not addressed in the amendment adopted by the Committee. There is a credible documented rise both in incidents of harassment and violence and in organized white supremacist outreach on campus and H.R. 4508 is silent on these emerging and troubling trends.

While the adopted text of the Garrett Amendment to H.R. 4508 fails to clarify what "sex" means in the context of section 703 of the Civil Rights Act of 1964, based on discussions with Committee Republicans, Committee Democrats believe it is the position of the Committee that "sex" includes an individual's sex, gender, and sexual orientation, and the right to be free from harassment and violence extends to individuals targeted for being, or being perceived as gay, lesbian, bisexual, transgender, or non-gender binary.

Failure to meaningfully address campus hazing

Given that 55 percent of students experience some form of hazing and yet 95 percent of those incidents are never reported to faculty or staff, Committee Democrats believe reauthorization of HEA should do more to help students fight the persistent problem of campus hazing.⁷⁹ Although institutions of higher education already submit some data on campus safety to the Department of Education, policymakers and the public lack information about hazing. Schools are required to report incidents of assault, however incidents of hazing in and around IHEs remain a factor in some student activities. To better understand hazing on college campuses,

⁷⁶ Anti-Defamation League, White Supremacist Propaganda Surges on Campus, last updated January 29, 2018, available at <https://www.adl.org/education/resources/reports/white-supremacist-propaganda-surges-on-campus>.

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ Allan, E.J. & Madden, M. (2008). Hazing in view: College students at risk. Initial findings from the National Study of Student Hazing. Retrieved from https://www.stophazing.org/wp-content/uploads/2014/06/hazing_in_view_web1.pdf.

Rep. Fudge offered a common sense amendment to require colleges and universities participating in federal financial aid programs to disclose incidents of hazing in their Annual Security Report and to report statistics of referrals for discipline and arrests specific to hazing. Additionally, to curb these incidents from happening, the amendment requires institutions to implement a hazing education program for students. Similar to the tactic employed by Majority members of the Committee to avoid an uncomfortable vote that would condemn racial and anti-LGBTQ violence, Rep. Thompson first offered an amendment that expressed a sense of Congress in opposition to campus hazing, but failed to include any meaningful reporting or training requirements. Rep. Fudge spoke against the disingenuous nature of the Thompson amendment before withdrawing her amendment.

H.R. 4508 DOUBLES DOWN ON UNPROVEN PROGRAMS IN HIGHER EDUCATION, AT THE EXPENSE OF STUDENTS

Rather than investing in effective programs, H.R. 4508 gives unfettered access to financial aid, to any institution for competency-based education (CBE), defined loosely in the bill. While quality CBE is a new, innovative, and flexible model that makes higher education more accessible for today's student, Committee Democrats fear that an expansion of CBE without strong accountability provisions to accompany such an expansion could result in poor outcomes for students and higher risk for waste, fraud, and abuse to taxpayers. While advocating for a full-bore expansion of CBE, H.R. 4508 does not similarly increase access to other programs with a proven track record of increasing access to higher education.

While many traditional higher education programs are based on time, CBE allows students to advance through their degree requirements upon demonstration of competency mastery. CBE is still in the early stages of its development, and while there are high-quality programs that are working, the best practices for what constitutes an effective program at scale and how certain requirements and regulations affect these programs are still unknown. This lack of information underscores the need to closely monitor, oversee, and evaluate limited expansion of CBE programs that are accountable to taxpayers before unchecked expansion of this untested model.

H.R. 4508 loosely defines CBE and makes all programs that meet the definition eligible to receive financial aid, while removing consumer and student protections to ensure program quality. For example, decisions about what constitutes a competency unit and amount of time required for an academic year are left entirely up to the school and the accreditor, making meaningful evaluation at-scale impossible. This irresponsible expansion of CBE carries huge potential for abuse that is likely to hurt students and working families.

Committee Democrats believe HEA should support innovation, but not at the expense of students. Congress needs to have data and evidence before creating a broad and unaccountable expansion of an untested model of delivery. For this reason, Rep. Polis offered an amendment to strike the bill's changes and, instead, provides demonstration authority for up to 100 CBE programs to access fed-

eral student aid dollars. Unlike the GOP bill, this amendment would require an annual evaluation of each CBE program in the demonstration project to determine program quality, the progress of participating students toward degree completion, and a students' ability to repay their loans and find employment upon graduation. The amendment would provide necessary information about the students served in these CBE programs, how their success compares to similarly situated students in traditional programs, and the types of waivers needed to implement quality CBE programs with fidelity. Despite the amendment's genesis in bipartisan stand-alone legislation supported by the Majority and passed by the full House of Representatives in the 114th Congress, the Polis amendment was not adopted.

Higher education programs proven-effective and deserving of expansion

While the percentage of individuals enrolling in college is higher than ever before, traditionally underserved students continue to enroll in college at lower rates than their peers. According to the What Works Clearinghouse, dual enrollment programs have a positive effect on college enrollment, credit accumulation, and degree attainment.⁸⁰ Early college high school programs also have a positive impact—almost all students participating in early college high school programs earn free college credit before the end of senior year, including 30 percent who graduate high school with a college degree or credential.⁸¹ Given that at least two out of three early college high school students are students of color, nearly three out of five are low-income, and almost half are the first in their families to enroll in college, expanding these programs can help close gaps in college enrollment.⁸² Democrats believe dual enrollment and early college high school programs are part of the solution to increasing access to higher education, tackling college costs, and improving graduation rates—particularly for the students who need the most help.

Although H.R. 4508 includes a 10 percent carve out from TRIO programs for a new grant program called “innovative measures promoting postsecondary access and completion (IMPACT)” that may be used for dual enrollment and early college high schools, the available funding is woefully insufficient.

Rep. Espailat (D-NY) offered an amendment that would create a competitive grant program funded at \$250 million per year for colleges and universities that partner with local educational agencies to expand dual enrollment and early college high school programs that primarily serve low-income students. Funding would also be provided to States for the development and implementation of a statewide strategy for increasing access to dual enrollment programs. This amendment would invest in strategies and programs that are proven to significantly increase high school graduation rates, college readiness, access to college, and college completion.

⁸⁰ What Works Clearinghouse, *Dual Enrollment Programs*, INST. FOR EDUC. STATS., available at <https://ies.ed.gov/ncee/wwc/InterventionReport/671>

⁸¹ Reinventing High Schools for Postsecondary Success, JOBS FOR THE FUTURE, available at <http://www.jff.org/initiatives/early-college-designs>

⁸² ⁸² <http://www.jff.org/sites/default/files/publications/Unconventional—Wisdom—PDF—033011.pdf>

Given the important role dual enrollment can have on college access, Rep. Polis also offered an amendment that would encourage IHEs to create and expand opportunities for dual and concurrent enrollment. The proposed grant would help cover the cost of tuition, books, fees, or transportation. However, both amendments failed on a party-line vote.

H.R. 4508 also fails to significantly invest in international and foreign language programming. According to the National Research Council, a pervasive lack of knowledge about foreign cultures and languages in the United States threatens the security of our country and our ability to compete in the global economy.⁸³ Additionally, defense, intelligence, and diplomatic agencies have an established and growing need for Americans with international knowledge, advanced foreign language skills, and cultural awareness.⁸⁴ The lack of qualified individuals for these in-demand positions also leads to a lack of instructional leaders and teachers who can adequately provide a robust international education experience for undergraduate and post-baccalaureate students. In an attempt to address these issues, the United States invests in several domestic and international language-, cultural-, and business-focused programs authorized under Title VI of the HEA. H.R. 4508 ignores the demonstrated need for investment in these programs, and cuts funding to Title VI. It eliminates programs that help provide students with quality foreign language and area studies, and programs that provide teachers with resources and training to deliver quality instruction.

Rep. Davis (D-CA) offered an amendment to strike the changes to Title VI made by H.R. 4508 and instead, increase the authorization for funding to \$125 million, indexed to inflation for each successive fiscal year. The amendment sought to extend authorization of six currently funded programs and align five existing programs into two consolidated programs to better address the 21st century needs for educational opportunities that promote language, cultural, and professional competencies for students, teachers, and employers. Even though this amendment continues our nation's investment in language, cultural, and regional education and expertise so that we can compete economically and maintain robust defense, intelligence, and diplomatic communities, the majority voted against the amendment.

H.R. 4508 POSES SIGNIFICANT RISK TO VULNERABLE STUDENT POPULATIONS

Committee Democrats believe H.R. 4508 will negatively affect military recruitment and veterans. According to the Consumer Financial Protection Bureau (CFPB), more than 200,000 members of the military owe more than \$2.9 billion in student loan debt. The CFPB also indicates that military members are worried about paying off their student loan debt and losing Public Service Loan Forgiveness (PSLF). By creating one less generous income-driven repayment plan and eliminating PSLF, we worry that H.R. 4508 has

⁸³ <https://www.nap.edu/read/11841/chapter/2>

⁸⁴ <https://languagepolicy.org/wp-content/uploads/2015/04/Gail-McGinn-Paper-govt-language-shortages.pdf>

the potential to curb military interest and harm veterans paying off their student loans.

For decades, for-profit colleges have targeted veterans for recruitment. By giving for-profit colleges increased access to taxpayer funding, repealing the gainful employment rule, the 90/10 rule, the borrower defense rule, State authorization, and weakening oversight mechanisms of for-profit colleges, including accreditors' ability to assess recruiting and admission practices, H.R. 4508 only makes it easier for for-profits to abuse our service members. This is why Rep. Bonamici introduced an amendment that would delay implementation of H.R. 4508 until the Office of the Inspector General (OIG) of the U.S. Department of Education, in consultation with the OIG of the U.S. Department of Veterans Affairs, certifies that implementation of the legislation does not lead to fraud and abuse of veterans.

H.R. 4508 also places low-income students at risk. The GOP bill eliminates grant programs for needy students, ends subsidized loans for low-income individuals, and creates uncertainty during loan repayment. By eliminating these programs, H.R. 4508 raises the price of college for millions of students. To ensure low-income students are not hurt, Rep. Bonamici introduced an amendment that would stop H.R. 4508 from taking effect until the Government Accountability Office (GAO) certifies that such implementation does not result in decreased availability of federal grant aid and increased student loan debt for low-income students.

H.R. 4508 caps borrowing and drives more borrowers to private student loans, which Congressional Democrats fear will lead to an increase in private student loan debt for borrowers and cosigners. In an effort to determine if this is in fact the case, Rep. Bonamici also offered a separate amendment that would require GAO to certify that H.R. 4508 does not increase total student loan debt.

Committee Republicans assert that H.R. 4508 will meet the needs of today's students and improve college access, affordability, and completion. Yet, despite these unfounded claims, Committee Republicans rejected all four amendments offered by Rep. Bonamici to require good government watchdog agencies to study and confirm that the policies of the underlying bill do no harm to vulnerable student populations prior to enactment. If Republicans believed in the policies of H.R. 4508, there should be no hesitation to prove the legislation's positive impact prior to subjecting students and families to the bill's untested proposals.

H.R. 4508 IS SILENT ON BARRIERS TO EQUITY IN HIGHER EDUCATION FACING VULNERABLE STUDENTS

While H.R. 4508 is a comprehensive rewrite of HEA, there are many barriers to equity in higher education that the bill fails to address. Committee Democrats believe that many of these issues deserve consideration in a comprehensive rewrite of HEA.

Status of DREAMers

In 2012, the federal government asked undocumented immigrants who were brought here at a young age to turn themselves in to the federal government in exchange for work authorization and temporary relief from deportation. Since then, nearly 800,000

undocumented young people received temporary permission to live and work in this country through the Deferred Action for Childhood Arrivals (DACA) program. According to the Center for American Progress, DACA recipients stand poised to contribute more than \$460 billion to the U.S. gross domestic product over the next decade.⁸⁵ However, in 2017, President Trump announced the arbitrary end of DACA and exposed these hard-working individuals to fear of deportation and uncertainty about their future.

Using data from the Migration Policy Institute on DACA-eligible individuals to estimate educational attainment among DACA individuals, we calculate that there are approximately 160,000 DACA students enrolled in college. Further, the analysis leads us to believe that roughly 88,000 DACA individuals have completed some college and an additional 40,000 have at least a bachelor's degree.⁸⁶ DACA recipients are current and future social workers, teachers, engineers, lawyers, doctors, small-business owners and more. They are integral to our communities and economies.

Committee Democrats believe Congress must pass a permanent solution so that these individuals no longer have to live under the threat of deportation. Multiple stakeholders in the higher education community, including several hundred colleges and universities, have expressed their support for such a solution. Rep. Grijalva offered the Dream Act—a bipartisan and widely supported bill that would create a path to citizenship for undocumented individuals who moved to the United States as children—as an amendment. This amendment sought to ensure that these individuals could reach their full potential as legal citizens and allow them to more fully contribute to their communities and our economy. Unfortunately, Republican Committee members ruled the amendment non-germane.

Rep. Espaillat introduced an amendment to allow undocumented individuals who meet certain requirements akin to DACA to become eligible for federal student aid. While this amendment would stop short of the full DREAM Act, it highlights the value of these individuals to our higher education system and national fabric. The government already invests in their K–12 education and allowing them to enroll and complete college so that they can continue to contribute with higher earnings is not only sound economic policy, but also it is the human and moral thing to do. However, this amendment failed on a party line vote.

Improving the financial aid process for low-income students

Data show that students who complete the FAFSA are more likely to attend and complete college than students who do not complete the form.⁸⁷ Unfortunately, only three out of five high school graduates (61 percent) from the Class of 2017 completed the FAFSA—leaving approximately \$2.3 billion in unused Pell

⁸⁵ Nicole Prchal Svajlenka, Tom Jawetz, and Angie Bautista Chavez, A New Threat to DACA Could Cost States Billions of Dollars, Ctr. for Am. Prog., Jul. 21, 2017, available at <https://www.americanprogress.org/issues/immigration/news/2017/07/21/436419/new-threat-daca-cost-states-billions-dollars/>.

⁸⁶ Analysis by House Education and the Workforce Committee Staff using Migration Policy Institute data available at <https://www.migrationpolicy.org/research/education-and-work-profiles-daca-population>.

⁸⁷ FAFSA Completion Challenge, National College Access Network, available at <http://www.collegeaccess.org/FAFSACHallenge>.

Grants.⁸⁸ Although H.R. 4508 takes positive steps to increase access to the FAFSA by directing the Department of Education to make the FAFSA available using a mobile “app,” the Department already has the authority to create such a tool. In fact, the Department of Education announced its plan for this app in November 2017.⁸⁹

Rep. Blunt Rochester offered an amendment that reduces the complexity and length of the Free Application for Federal Student Aid (FAFSA) and increases support for vulnerable populations. The amendment would restructure the FAFSA to better fit each student’s financial situation and create a three-pathway model that asks fewer questions to students with less complex financial situations. The amendment also prohibits the Secretary of Education from burdening the lowest-income students with difficult financial questions that lead to confusion and produce unnecessary barriers to FAFSA completion. To verify the information, the Secretary of Education is directed to enter a Memorandum of Understanding with the Secretary of Health and Human Services, the Secretary of Agriculture, and the Secretary of the Treasury to allow for the exchange of information needed to verify receipt of eligible federal benefits.

For FAFSA applicants who did not receive one of the means-tested Federal benefits outlined in the amendment but who have simple tax returns, this amendment would reverse cuts to the income threshold at which a student receives a zero-dollar estimated family contribution (EFC) back to \$34,000 and pegs it to inflation. It also removes the requirement that independent students have dependents to be eligible for an automatic zero EFC. Unlike the expansion of the Simplified Needs Test created in H.R. 4508 that only helps middle-income families qualify for aid, the provisions in Rep. Blunt Rochester’s amendment would allow low-income students to benefit from a maximum Pell Grant award.

Additionally, because one in 10 Pell students who do complete the FAFSA and persist past their first year of college fail to re-file despite the overwhelming likelihood of maintaining eligibility for Federal student aid, this amendment asks high school seniors who qualify for Pell to only fill out the FAFSA once, as opposed to filing annually. The amendment also sought to codify the use of prior-year (PPY) income data and increase support for working students by shielding more income (35 percent increase) from any offset to financial aid. Further, the amendment sought to require the FAFSA to be available in multiple languages, allows DREAMers to afford college, reinstates Pell Grant eligibility for students with drug-related offenses, and creates a standardized financial aid award letter. Committee Republicans voted against the Blunt Rochester amendment.

⁸⁸National FAFSA Completion Rate for High School Seniors, National College Access Network, available at <http://www.collegeaccess.org/FAFSACompletionRate>.

⁸⁹Joelle Fredman, *FSA COO Unveils Mobile FAFSA App*, NAT’L ASSN. OF STUD. FIN. AID ADMIN. (Nov. 30, 2017) available at <https://www.nasfaa.org/news-item/13799/FSA—Unveils—Mobile—FAFSA—App>.

College Access for American Citizens of the Outlying Areas

Graduates from high schools in the Commonwealth of the Northern Mariana Islands and American Samoa have no accredited four-year IHEs to attend in their Territories. This leaves students with no affordable option, forcing them to move from home and suffer significant personal cost in order to pursue a college degree beyond two years. To address this problem, Rep. Sablan introduced an amendment modeled after the District of Columbia Tuition Assistance Grant Program (DC TAG) that sought to authorize \$5 million dollars to cover the difference between the cost of in-State and out-of-State tuition for these students. The amendment failed along a party-line vote.

Remedial Education Reform

Our nation's current system of remediation in higher education is failing working families by increasing the cost of college and, all too often, leaving students without a meaningful degree. In 2010, fifty-one percent of students entering public two-year colleges and more than one in four students (29 percent) entering public four-year universities were required to take remedial coursework during their college experience. Unfortunately, only 50 percent of students in remedial education will ever complete a credit-bearing course, with even a lower percentage of students achieving a degree.⁹⁰

Rep. Norcross offered an amendment to provide competitive grants to a geographically diverse set of colleges and universities of various sizes to develop or improve remedial education based on five models that have shown success during small-scale implementation. Aside from implementing evidence-based models to improve remediation, students in programs funded under this grant may also use federal student aid dollars to support up to two years of remediation, removing another barrier to on-time completion for remedial students. The amendment requires evaluation of program effectiveness in order to determine the best systems of support that lead to college degree completion. The amendment was not adopted and failed by party-line vote.

Improving Access for Students with Disabilities

Rep. DeSaulnier (D-CA) offered an amendment to improve services for students with disabilities. Committee Democrats believe that reauthorization of HEA must recognize the fact that we are graduating more students with disabilities from high school than ever before. Yet, very few students with disabilities enter higher education and even fewer make it to completion. Rep. DeSaulnier's amendment would strike H.R. 4508's repeal of a program to train faculty to deliver accessible instruction; establish an Office of Accessibility in every IHE; provide a grant for university-wide implementation of universal design for learning; and expand higher education options for students with intellectual disabilities. The DeSaulnier amendment also strikes H.R. 4508's repeal of Title VIII, restoring a program that trains individuals to provide closed

⁹⁰Laura Jimenez, Scott Sargrad, Jessica Morales, and Maggie Thompson, *The Cost of Catching Up*, CTR. FOR AM. PROG. (Sept. 2016) available at <https://cdn.americanprogress.org/wp-content/uploads/2016/09/12082503/CostOfCatchingUp-report.pdf>.

captioning services. The amendment was rejected with all Committee Republicans voting “no.”

Foster and Homeless Youth

A report produced by the National Working Group on Foster Care and Education indicates that although 84 percent of 17–18 year olds in foster care want to go to college, less than 20 percent of those who graduate high school attend college. Furthermore, less than 10 percent of those that attempt college will eventually complete a postsecondary credential by the age of 25. This is why increasing access to and completion from college for these youth is important. To increase access, these youth need assistance when applying to and enrolling in college and targeted support while in college.

Rep. Krishnamoorthi offered an amendment that sought to improve college access, retention, and completion rates for foster and homeless youth by substantially improving State capacity to support these students as they transition to and attend college. In addition to these State formula grants, the amendment would help develop “Institutions of Excellence” committed to serving foster and homeless youth through robust support services, in collaboration with organizations skilled at helping these student populations, and substantial financial assistance. However, the amendment was voted down by Republican Committee Members.

Increased Funding Authorization for On-Campus Child Care

Committee Democrats believe that it is important to provide the necessary tailored supports to help students from all walks of life succeed in college. Since 2000, the number of student parents enrolled in higher education programs has increased by 50 percent. Today, more than one in four undergraduate students have children.⁹¹ In order to attend class, these students need childcare during the day. However, childcare can be cost prohibitive. According to the Economic Policy Institute, infant care is more expensive than the average in-State college tuition at public 4-year universities.⁹²

In 1998, Congress authorized the Child Care Access Means Parents in School (CCAMPIS) program to help institutions provide campus-based childcare services for low-income student parents. Although there has been an increase in college enrollment by student parents throughout the years, the appropriation amounts for CCAMPIS has decreased. Currently, CCAMPIS is appropriated at just over \$15 million, which is a steep cut from its original appropriated level of \$25 million. In H.R. 4508, Committee Republicans propose flat funding this vital program’s authorization level.

Rep. Norcross introduced an amendment to increase the CCAMPIS authorization to \$67 million, which is equal to the original authorization level of \$45 million in FY 1999 adjusted for inflation. The amendment also adjusts the authorization level in future years by inflation. More student parents are going to college, and childcare costs are increasing. Committee Democrats believe Con-

⁹¹<https://iwpr.org/issue/special-websites/student-parent-success-initiative/>

⁹²<http://www.epi.org/files/2015/child-care-is-out-of-reach.pdf>

gress should be helping parents earn their degree, not penalizing them because they have children. Committee Republicans opposed the Norcross amendment.

Additional Supports for Vulnerable Student Populations

Committee Democrats also offered amendments to authorize grants to ensure institutions have the resources necessary to support students who are veterans through degree completion (Rep. Grijalva) and provide tuition assistance for Native American Students (Rep. Polis). The Grijalva amendment was defeated along a party-line vote. The Polis amendment was defeated and only received one Republican vote.

DEMOCRATIC AMENDMENTS OFFERED DURING MARKUP OF H.R. 4508

Committee Democrats put forward 40 amendments to improve the bill. These amendments would have expanded the purchasing power of the Pell Grant, reformed the federal student loan and campus based aid programs to serve students and institutions better, and provided Dreamers with both permanent status in the country and access to federal student aid. Additional Democratic amendments sought to ensure fiscal and programmatic accountability for for-profit institutions, allow for student-level data to improve higher education outcomes and policies, and restore the Public Service Loan Forgiveness (PSLF) Program. Democrats also offered proposals to simplify and improve the FAFSA, improve competency-based education programs, restore funding for teacher preparation programs and prospective teachers, and invest in community colleges, MSIs, foster students, homeless students, and students with disabilities. Committee Republicans rejected thirty-seven of the thirty-nine Democratic amendments that were considered.

Amdt.	Offered By	Description	Action Taken
#2	Ms. Davis	Strikes H.R. 4508 provisions to make improvements to the Pell Grant Program	Defeated
#4	Mr. Grijalva	Attaches the DREAM Act to the underlying bill	Ruled non-germane
#6	Mr. Espallat	Makes DREAMers eligible for Federal Student Aid	Defeated
#8	Ms. Fudge	Prevents and addresses campus hazing through improved reporting requirements	Withdrawn
#10	Ms. Wilson Ms. Shea-Porter	Clarifies H.R. 4508 requirements that institutions of higher education provide programming to prevent opioid and other drug abuse	Adopted
#12	Mr. Takano Mr. Krishnamoorthi	Restores For-Profit institutional accountability reflective of the risk to taxpayers posed by the sector	Defeated
#14	Mr. Courtney	Makes ONE Loan borrowers eligible to participate in Public Service Loan Forgiveness (PSLF)	Defeated
#16	Ms. Bonamici Mr. Takano	Strikes H.R. 4508's ONE Loan, retain the Direct Loan Program, and makes other changes to ensure maximum benefit to low-income borrowers	Defeated
#18	Ms. Wilson Mr. Polis	Improves postsecondary data quality by striking the federal ban on the student unit record	Defeated
#20	Ms. Blunt Rochester Mr. Sablan	Simplifies the Free Application for Federal Student Aid (FAFSA) process to ensure increased completion by and maximum benefit to low-income students and families (Simple FAFSA Act)	Defeated
#22	Mr. Courtney	Allows students to refinance student loans	Defeated

Amdt.	Offered By	Description	Action Taken
#24	Ms. Wilson Mr. Polis	Restores support for teachers in HEA by striking H.R. 4508 program repeals and increasing authorized funding levels	Defeated
#26	Mr. Sablan	Authorizes grants that provide tuition assistance for community college graduates in the Commonwealth of the Northern Mariana Islands and American Samoa to pursue four year degrees	Defeated
#28	Ms. Bonamici	Strikes H.R. 4508's repeal of Federal Supplemental Educational Opportunity Grant (FSEOG), reauthorizes the Perkins Loan Program, and makes improvements to Federal Work-Study	Defeated
#30	Ms. Adams	Strikes H.R. 4508 changes to Titles III, V, and other titles and replace with program improvements to support Minority Serving Institutions (MSI), including the restoration of mandatory appropriations and authorization of an MSI innovation fund	Defeated
#31	Mr. Scott	Authorizes a federal-state partnership to provide students with access to affordable degrees	Defeated
#32	Ms. Davis	Renames the program authorized under H.R. 4508 Title II as 'earn and learn' and ensures quality of apprenticeship programs receiving federal funds	Defeated
#34	Mr. Norcross	Authorizes grants to community colleges to improve degree completion	Defeated
#36	Mr. Espallat Ms. Fudge	Authorizes grants to improve access to quality Dual Enrollment programs for low-income students	Defeated
#37	Mr. Norcross	Authorizes grants to support improvements to remedial education	Defeated
#38	Mr. DeSaulnier	Improves access to higher education for students with disabilities	Defeated
#39	Mr. Norcross	Authorizes increase in federal funding for campus-based child care	Defeated
#41	Mr. Scott	Restores accountability for religious institutions by striking H.R. 4508 provisions allowing the religious or moral beliefs of such institutions to preempt federal law	Defeated
#42	Ms. Davis Bonamici	Strikes H.R. 4508 provisions that will negatively impact efforts to address campus sexual assault	Defeated
#43	Ms. Davis	Restores and makes improvements to Title VI programs for foreign and international education	Defeated
#45	Ms. Wilson	Expresses the Sense of Congress that college campuses should be free from racial harassment and hostility	Defeated
#47	Mr. Krishnamoorthi	Supports postsecondary access and completion for foster youth and students who are homeless	Defeated
#49	Mr. Krishnamoorthi	Strikes H.R. 4508 language limiting the distribution of voter registration information	Defeated
#51	Ms. Bonamici	Ensures that H.R. 4508 shall not take effect until GAO certifies that implementation will not negatively impact military recruitment and retention	Defeated
#53	Mr. Grijalva	Stops the garnishment of social security benefits to pay for student debt	Ruled non-germane
#54	Mr. Grijalva	Authorizes grants to establish, maintain, and improve veteran student centers	Defeated
#55	Ms. Bonamici	Ensures that H.R. 4508 shall not take effect until GAO certifies that implementation will not result in decreased availability of federal grant aid and increased student loan debt for low-income students	Defeated

Amdt.	Offered By	Description	Action Taken
#56	Ms. Bonamici	Ensures that H.R. 4508 shall not take effect until the U.S. Department of Education Office of Inspector General, in consultation with U.S. Department of Veterans Affairs Office of Inspector General, certifies that such implementation shall not result in fraud and abuse of students who are veterans	Defeated
#57	Ms. Bonamici	Ensures that H.R. 4508 shall not take effect until GAO certifies that implementation will not increase total student loan debt	Defeated
#58	Mr. Polis	Ensures Congress has the data on effectiveness and best practices necessary to expand quality Competency-Based Education (CBE)	Defeated
#59	Mr. Polis	Authorizes a grant program to support dual enrollment	Defeated
#60	Mr. Polis	Amends FERPA to allow for reverse transfer of student data	Adopted
#61	Mr. Polis	Authorizes grants to support the expansion of open textbooks	Defeated
#62	Mr. Polis	Makes clear that it is the Sense of Congress that online educational material should not be blocked or otherwise censored by internet providers	Defeated
#63	Mr. Polis	Provides federal funding for the Native American Tuition Waiver program	Defeated

CONCLUSION

The Committee, as recently as last Congress (114th) worked on a bipartisan basis to develop, introduce, and pass bills addressing discrete issues in higher education such as FAFSA simplification, enhanced student financial counseling, data transparency, and MSI program reform. Committee Democrats feel there are other policy areas in higher education of consensus that are ripe for bipartisan agreement, including loan servicing and accreditation reform. As evidenced by the policy proposals comprising H.R. 4508, Committee Republicans prioritize the delivery of financial aid to for-profit institutions and simplification of federal student aid that would make college more expensive for students and working families. Committee Democrats, as evidenced by the amendments offered during markup, prioritize increased investment in students and under-resourced institutions through the availability of more generous federal student aid products and institutional grants. While stark differences in policy approach to reforming and reauthorizing the HEA remain, Committee Democrats remain firm in their belief that there exists a bipartisan path forward to comprehensive HEA reauthorization that improves services and supports to ensure increased access to an affordable degree that leads to a good-paying job. Committee Democrats encourage the majority to abandon the hyper-partisan policies of H.R. 4508 and engage in bipartisan negotiations.

For the reasons stated above, Committee democrats unanimously opposed H.R. 4508 when the Committee on Education and the Workforce Committee considered it on December 12, 2017. We urged the House of Representatives to do the same unless there is a drastic revision of H.R. 4508.

ROBERT C. "BOBBY" SCOTT,
Ranking Member.
SUSAN A. DAVIS.
RAÚL M. GRIJALVA.
JOE COURTNEY.
MARCIA L. FUDGE.
JARED POLIS.
GREGORIO KILILI CAMACHO
SABLAN.
FREDERICA S. WILSON.
SUZANNE BONAMICI.
MARK TAKANO.
ALMA S. ADAMS.
MARK DESAULNIER.
DONALD NORCROSS.
LISA BLUNT ROCHESTER.
RAJA KRISHNAMOORTHY.
CAROL SHEA-PORTER.
ADRIANO ESPAILLAT.

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