H. R. 4283

To amend and extend the Higher Education Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2004

Mr. Boehner (for himself and Mr. McKeon) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend and extend the Higher Education Act of 1965.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “College Access and Opportunity Act of 2004”.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
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“Sec. 101. Definition of institution of higher education.
“Sec. 102. Institutions outside the United States.
“Sec. 123. Restrictions on funds for for-profit schools.
Sec. 102. New borrower definition.
Sec. 103. Student speech and association rights.
Sec. 104. Extension of National Advisory Committee on Institutional Quality and Integrity.
Sec. 105. Alcohol and drug abuse prevention.
Sec. 106. Prior rights and obligations.
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1 SEC. 2. REFERENCES; EFFECTIVE DATE.

2 (a) 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.).

3 (b) EFFECTIVE DATE.—Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of enactment of this Act.
TITLE I—GENERAL PROVISIONS

SEC. 101. DEFINITION OF INSTITUTION OF HIGHER EDUCATION.

(a) AMENDMENT.—Title I is amended by striking sections 101 and 102 (20 U.S.C. 1001, 1002) 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) meet the requirements of section 484(d)(3), or have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate; or

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

“(2) is legally authorized within such State 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 a public or non-profit 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) meets either of the following criteria:

“(A) is a nonprofit, for-profit, or public institution that—

“(i) provides an educational program for which the institution awards a bachelor’s degree;

“(ii) provides not less than a 2-year educational program which is acceptable for full credit towards such a degree; or

“(iii) provides not less than a 1-year program of training that prepares students for gainful employment in a recognized occupation; or
“(B) is a nonprofit, for-profit, or public institution that provides an eligible program (as defined in section 481)—

“(i) for which the institution awards a certificate; and

“(ii) that prepares students for gainful employment in a recognized occupation.

“(b) ADDITIONAL LIMITATIONS.—

“(1) FOR-PROFIT POSTSECONDARY INSTITUTIONS.—

“(A) DURATION OF ACCREDITATION.—A for-profit institution shall not be considered to be an institution of higher education unless such institution is accredited by a nationally recognized accrediting agency or association and such institution has been in existence for at least 2 years.

“(B) INSTITUTIONAL ELIGIBILITY ONLY FOR COMPETITIVE GRANTS.—For the purposes of any program providing grants to institutions for use by the institution (and not for distribution among students), a for-profit institution shall not be considered to be an institution of higher education under this section if such grants are awarded on any basis other than
competition on the merits of the grant proposal or application.

“(2) Postsecondary vocational institutions.—A nonprofit or public institution that meets the criteria of subsection (a)(4)(B) shall not be considered to be 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 to meet the definition of an institution of higher education in this section 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 filed 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 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 to meet the definition of an institution of higher education in subsection (a) if such institution—

“(A) offers more than 50 percent of such institution’s courses by correspondence (excluding courses offered by telecommunications as defined in 484(l)(4)), unless the institution is an institution that meets the definition in section 3(3)(C) of the Carl D. Perkins Vocational and Technical Education Act of 1998;

“(B) enrolls 50 percent or more of the institution’s students in correspondence courses (excluding courses offered by telecommunications as defined in 484(l)(4)), unless the in-
stitution is an institution that meets the definition in section 3(3)(C) of the Carl D. Perkins Vocational and Technical Education Act of 1998, except that the Secretary, at the request of the institution, may waive the applicability of this subparagraph to the 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 an 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 certificate, respectively; or

“(D) has a student enrollment in which more than 50 percent of the students either do not meet the requirements of section 484(d)(3) or 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 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 meet the requirements of section 484(d)(3) or do not have a secondary school diploma or its recognized equivalent.

“(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 or training 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 in this section 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.

“SEC. 102. INSTITUTIONS OUTSIDE THE UNITED STATES.

“(a) INSTITUTIONS OUTSIDE THE UNITED STATES.—

“(1) IN GENERAL.—An institution outside the United States shall be considered to be an institution of higher education only for purposes of part B of title IV if the institution is comparable to an institution of higher education, as defined in section 101, is legally authorized by the education ministry (or comparable agency) of the country in which the school is located, and has been approved by the Secretary for purposes of that part. The Secretary shall establish criteria by regulation for that approval and that determination of comparability. An institution may not be so approved or determined to be comparable unless such institution is a public or non-profit institution, except that, subject to paragraph (2)(B), a graduate medical school or veterinary
school located outside the United States may be a for-profit institution.

“(2) MEDICAL AND VETERINARY SCHOOL CRITERIA.—In the case of a graduate medical or veterinary school outside the United States, such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of title IV unless—

“(A) in the case of a graduate medical school located outside the United States—

“(i)(I) 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 B of title IV; and

“(II) at least 60 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 Edu-
cational 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 B of title IV; or

“(ii) the institution has a clinical training program that was approved by a State as of January 1, 1992; or

“(B) in the case of a veterinary school located outside the United States that is not a public or nonprofit institution, the institution’s students complete their clinical training at an approved veterinary school located in the United States.

“(b) ADVISORY PANEL.—

“(1) IN GENERAL.—For the purpose of qualifying a foreign medical school as an institution of higher education only for purposes of part B of title IV, the Secretary shall publish qualifying criteria by regulation and establish an advisory panel of medical experts that shall—

“(A) evaluate the standards of accreditation applied to applicant foreign medical schools; and
“(B) determine the comparability of those standards to standards for accreditation applied to United States medical schools.

“(2) 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 subsection (a)(2) shall render such institution ineligible for the purpose of part B of title IV.

“(c) SPECIAL RULE.—If, pursuant to this section, an institution located outside the United States loses eligibility to participate in the programs under part B of 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 B of title IV while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.”.

(b) RESTRICTIONS ON FUNDS FOR FOR-ProFIT SCHOOLS.—Part B of title I is amended by inserting after section 122 (20 U.S.C. 1011k) the following new section:

“SEC. 123. RESTRICTIONS ON FUNDS FOR FOR-ProFIT SCHOOLS.

“(a) IN GENERAL.—Notwithstanding any other provision of this Act authorizing the use of funds by an institution of higher education that receives funds under this
Act, none of the funds made available under this Act to a for-profit institution of higher education may be used for—

“(1) construction, maintenance, renovation, repair, or improvement of classrooms, libraries, laboratories, or other facilities;

“(2) establishing, improving, or increasing an endowment fund; or

“(3) establishing or improving an institutional development office to strengthen or improve contributions from alumni and the private sector.

“(b) EXCEPTION.—Subsection (a) shall not apply to funds received by the institution from the grant, loan, or work assistance that is awarded under title IV to the students attending such institution.”.

(e) CONFORMING AMENDMENTS.—

(1) Section 114(a) (20 U.S.C. 1011c(a)) is amended by striking “(as defined in section 102)”.

(2) Section 428K(b) (20 U.S.C. 1078–11(b)) is amended by striking paragraph (5).

(3) Section 435(a)(1) (20 U.S.C. 1085(a)(1)) is amended by striking “section 102” and inserting “section 101”.

(4) Subsection (d) of section 484 (20 U.S.C. 1091(d)) is amended by striking the designation and
heading of such subsection and inserting the fol-
lowing:

“(d) SATISFACTION OF SECONDARY EDUCATION
STANDARDS.—”.

(5) Section 486(b)(2) (20 U.S.C. 1093(b)(2)) is
and inserting “101(b)(4)(A), 101(b)(4)(B)”.

(6) Section 487(c)(1)(A)(iii) (20 U.S.C.
1094(c)(1)(A)(iii)) is amended by striking “section
102(a)(1)(C)” and inserting “section 102”.

(7) Section 487(d) (20 U.S.C. 1094(d)) is
amended by striking “section 102” and inserting
“section 101”.

(8) Subsections (j) and (k) of section 496 (20
U.S.C. 1099b(j), (k)) are each amended by striking
“section 102” and inserting “section 101”.

(9) Section 498(g)(3) (20 U.S.C. 1099e(g)(3))
is amended by striking “section 102(a)(1)(C)” and
inserting “section 102”.

(10) Section 498(i) (20 U.S.C. 1099e(i)) is
amended by striking “section 102” and inserting
“section 101”.

(11) Section 498(j)(1) (20 U.S.C. 1099e) is
amended by striking “except that such branch shall
not be required to meet the requirements of sections
102(b)(1)(E) and 102(c)(1)(C) prior to seeking such certification” and inserting “except that such branch shall not be required to be in existence for at least 2 years prior to seeking such certification”.

(12) Section 498B(b) (20 U.S.C. 1099c–2(b)) is amended by striking “section 102(a)(1)(C)” and inserting “section 102”.

SEC. 102. NEW BORROWER DEFINITION.

Paragraph (7) of section 103 (20 U.S.C. 1003) is amended to read as follows:

“(7) NEW BORROWER.—The term ‘new borrower’ when used with respect to any date for any loan under any provision of—

“(A) part B or part D of title IV means an individual who on that date has no outstanding balance of principal or interest owing on any loan made, insured, or guaranteed under either of those parts; and

“(B) part E of title IV means an individual who on that date has no outstanding balance of principal or interest owing on any loan made under that part.”.

SEC. 103. STUDENT SPEECH AND ASSOCIATION RIGHTS.

Section 112 (20 U.S.C. 1011a) is amended—
(1) by amending subsection (a) to read as follows:

“(a) PROTECTION OF RIGHTS.—It is the sense of Congress that—

“(1) 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; and

“(2) an institution of higher education should ensure that a student attending such institution on a full- or part-time basis is—

“(A) evaluated solely on the basis of their reasoned answers and knowledge of the subjects and disciplines they study and without regard to their political, ideological, or religious beliefs;

“(B) assured that the selection of speakers and allocation of funds for speakers, programs, and other student activities will utilize methods
that promote intellectual pluralism and include
diverse viewpoints;

“(C) presented diverse approaches and dis-
senting sources and viewpoints within the in-
structional setting; and

“(D) not excluded from participation in,
denied the benefits of, or subjected to discrimi-
nation or official sanction on the basis of their
political or ideological beliefs under any edu-
cation program, activity, or division of the insti-
tution directly or indirectly receiving financial
assistance under this Act, whether or not such
program, activity, or division is sponsored or of-
officially sanctioned by the institution.”; and

(2) in subsection (b)(1), by inserting after
“higher education” the following: “, provided that
the imposition of such sanction is done objectively,
fairly, and without regard to the student’s political,
ideological, or religious beliefs”.

SEC. 104. EXTENSION OF NATIONAL ADVISORY COMMITTEE
ON INSTITUTIONAL QUALITY AND INTTEGRITY.

Section 114(g) (20 U.S.C. 1011c(g)) is amended by
striking “2004” and inserting “2011”.

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SEC. 105. ALCOHOL AND DRUG ABUSE PREVENTION.

Section 120(e)(5) (20 U.S.C. 1011i(e)(5)) is amended—

(1) by striking “1999” and inserting “2005”; and

(2) by striking “4 succeeding fiscal years” and inserting “5 succeeding fiscal years”.

SEC. 106. PRIOR RIGHTS AND OBLIGATIONS.

Section 121(a) (20 U.S.C. 1011j(a)) is amended by striking “1999 and for each of the 4” each place it appears and inserting “2005 and for each of the 5”.

SEC. 107. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

Section 131 (20 U.S.C. 1015) is amended to read as follows:

“SEC. 131. CONSUMER INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

“(a) Data Collection.—

“(1) Data systems.—The Secretary shall continue to redesign the relevant parts of the postsecondary education data systems to include additional data as required by this section and to continue to improve the usefulness and timeliness of data collected by such systems.

“(2) Information from institutions.—The Commissioner of Education Statistics shall collect,
for each academic year and in accordance with standard definitions developed by the Commissioner of Education Statistics (including definitions developed under section 131(a)(3)(A) as in effect on the day before the date of enactment of the College Access and Opportunity Act of 2004) from at least all institutions of higher education participating in programs under title IV, and such institutions shall provide, the following data:

“(A) The tuition and fees charged for a full-time undergraduate student.

“(B) The room and board charges for such a student.

“(C) The cost of attendance for a full-time undergraduate student, consistent with the provisions of section 472.

“(D) The average amount of financial assistance received by a full-time undergraduate student, including—

“(i) each type of assistance or benefits described in 428(a)(2)(C)(ii);

“(ii) fellowships;

“(iii) institutional and other assistance; and

“(iv) loans under parts B and D.
“(E) The number of students receiving financial assistance described in each clause of subparagraph (D).

“(F) The average net price for students receiving Federal, State, or institutional financial assistance.

“(G) The institutional instructional expenditure per full-time equivalent student.

“(b) DATA DISSEMINATION.—The Secretary shall make available the data collected pursuant to this section, including an institution’s college affordability index as calculated in accordance with subsection (c). Such data shall be made available in a manner that permits the review and comparison of data submissions of individual institutions of higher education. Such data shall be presented in a form that is easily accessible and understandable and allows parents and students to make informed decisions based on the prices for typical full-time undergraduate students and the institution’s rate of cost increase.

“(c) COLLEGE AFFORDABILITY INDEX.—

“(1) IN GENERAL.—The Secretary shall, on the basis of the data submitted under subsection (a), calculate a college affordability index for each institution of higher education submitting such data and shall make the index available in accordance with
subsection (b) as soon as operationally possible on
the Department’s college opportunity online Web
site.

“(2) CALCULATION OF INDEX.—The college af-
fordability index shall be equal to—

“(A) the percentage increase in the tuition
and fees charged for a first-time, full-time, full-
year undergraduate student between the first of
the 3 most recent preceding academic years and
the last of those 3 academic years; divided by

“(B) the percentage increase in the Con-
sumer Price Index—All Urban Consumers
(Current Series) from July of the first of those
3 academic years to July of the last of those 3
academic years.

“(d) OUTCOMES AND ACTIONS.—

“(1) RESPONSE FROM INSTITUTION.—Effective
on June 30, 2008, an institution that has a college
affordability index that exceeds 2.0 for any 3-year
interval ending on or after that date shall provide a
report to the Secretary, in such a form, at such
time, and containing such information as the Sec-
retary may require. Such report shall include—
“(A) an explanation of the factors contributing to the increase in the institution’s costs and in the tuition and fees charged to students;

“(B) a management plan stating the specific steps the institution is and will be taking to reduce its college affordability index;

“(C) an action plan, including a schedule, by which the institution will reduce increases in or stabilize, such costs and tuition and fees; and

“(D) if determinations of tuition and fee increases are not within the exclusive control of the institution, a description of the agency or instrumentality of State government or other entity that participates in such determinations and the authority exercised by such agency, instrumentality, or entity.

“(2) INFORMATION TO THE PUBLIC.—Upon receipt of the institution’s report and management plan under paragraph (1), the Secretary shall make the institution’s report required under paragraph (1) available to the public in accordance with subsection (b).

“(3) CONSEQUENCES FOR 2-YEAR CONTINUATION OF FAILURE.—If the Secretary determines that the institution has failed to comply with the
management plan and action plan submitted by the institution under this subsection following the next 2 academic years that begin after the submission of such plans, and has failed to reduce the college affordability index below 2.0 for such 2 academic years, the Secretary—

“(A) shall make available to the public a detailed report provided by the institution on all costs and expenditures, and on all tuition and fees charged to students, for such 2 academic years;

“(B) shall place the institution on an affordability alert status and shall make the information regarding the institution's failure available in accordance with subsection (b);

“(C) shall notify the institution’s accrediting agency of the institution’s failure; and

“(D) may require the institution to submit to a review and audit by the Inspector General of the Department of Education to determine the cause of the institution’s failure.

“(4) INFORMATION TO STATE AGENCIES.—Any institution that reports under paragraph (1)(D) that an agency or instrumentality of State government or other entity participates in the determinations of tui-
tion and fee increases shall, prior to submitting any
information to the Secretary under this subsection,
submit such information to, and request the com-
ments and input of, such agency, instrumentality, or
entity. With respect to any such institution, the Sec-
retary shall provide a copy of any communication by
the Secretary with that institution to such agency,
instrumentality, or entity.

“(5) EXEMPTIONS.—

“(A) RELATIVE PRICE EXEMPTION.—The
Secretary shall, for any 3-year interval for
which college affordability indexes are computed
under paragraph (1), determine and publish the
dollar amount that, for each class of institution
described in subparagraph (C) represents the
maximum tuition and fees charged for a full-
time undergraduate student in the least costly
quartile of institutions within each such class
during the last year of such 3-year interval. An
institution that has a college affordability index
computed under paragraph (1) that exceeds 2.0
for any such 3-year interval, but that, on aver-
age during such 3-year interval, charges less
than such maximum tuition and fees shall not
be subject to the actions required by subpara-
graph (B) or (C) of paragraph (1), or any action under paragraph (3), unless such institution, for a subsequent 3-year interval, charges more than such maximum tuition and fees.

“(B) DOLLAR INCREASE EXEMPTION.—An institution that has a college affordability index computed under paragraph (1) that exceeds 2.0 for any 3-year interval, but that exceeds such 2.0 by a dollar amount that is less than $500, shall not be subject to the actions required by subparagraph (B) or (C) of paragraph (1), or any action under paragraph (3), unless such institution has a college affordability index for a subsequent 3-year interval that exceeds 2.0 by more than such dollar amount.

“(C) CLASSES OF INSTITUTIONS.—For purposes of subparagraph (B), the classes of institutions shall be those sectors used by the Integrated Postsecondary Education Data System, based on whether the institution is public, nonprofit private, or for-profit private, and whether the institution has a 4-year, 2-year, or less than 2-year program of instruction.

“(e) 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 this section 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 and price of higher education under this section
and pursuant to the program participation agreement en-
tered into under section 487.

“(f) GAO Study and Report.—

“(1) GAO study.—The Comptroller General
shall conduct a study of the policies and procedures
implemented by institutions in increasing the afford-
ability of postsecondary education. Such study shall
include information with respect to—

“(A) a list of those institutions that—

“(i) have reduced their college afford-
ability indexes; or

“(ii) are, as determined under sub-
section (d)(5)(A), within the least costly
quartile of institutions within each class
described in subsection (d)(5)(C);

“(B) policies implemented to stem the in-
crease in tuition and fees and institutional
costs;
“(C) the extent to which room and board costs and prices changed;

“(D) the extent to which other services were altered to affect tuition and fees;

“(E) the extent to which the institution’s policies affected student body demographics and time to completion;

“(F) what, if any, operational factors played a role in reducing tuition and fees;

“(G) the extent to which academic quality was affected, and how;

“(H) the extent to which policies and practices reducing costs and prices may be replicated from one institution to another; and

“(I) other information as necessary to determine best practices in increasing the affordability of postsecondary education.

“(2) INTERIM AND FINAL REPORTS.—The Comptroller General shall submit an interim and a final report regarding the findings of the study required by paragraph (1) to the appropriate authorizing committees of Congress. The interim report shall be submitted not later than July 31, 2010, and the final report shall be submitted not later than July 31, 2012.
“(g) Student Aid Recipient Survey.—

“(1) Survey required.—The Secretary shall conduct a survey of student aid recipients under title IV on a regular cycle and State-by-State basis, but not less than once every 4 years—

“(A) to identify the population of students receiving Federal student aid;

“(B) to describe the income distribution and other socioeconomic characteristics of federally aided students;

“(C) to describe the combinations of aid from State, Federal, and private sources received by students from all income groups;

“(D) to describe the debt burden of educational loan recipients and their capacity to repay their education debts, and the impact of such debt burden on career choices;

“(E) to describe the role played by the price of postsecondary education in the determination by students of what institution to attend; and

“(F) to describe how the increased costs of textbooks and other instructional materials affects the costs of postsecondary education to students.
“(2) Survey Design.—The survey shall be representative of full-time and part-time, undergraduate, graduate, and professional and current and former students in all types of institutions, and designed and administered in consultation with the Congress and the postsecondary education community.

“(3) Dissemination.—The Secretary shall disseminate the information resulting from the survey in both printed and electronic form.

“(h) Regulations.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.”.

SEC. 108. PERFORMANCE-BASED ORGANIZATION.

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

(1) in subsection (a)(2)(B)—

(A) by inserting “unit” after “to reduce the”; and

(B) by inserting “and, to the extent practicable, the total costs of administering those programs” after “those programs”;

(2) in subsection (c)—

(A) in paragraph (1)(A), by striking “Each year” and inserting “Each fiscal year”;
(B) in paragraph (1)(B), by inserting “secondary markets, guaranty agencies,” after “lenders,”; and

(C) in paragraph (2)(B), by striking “Chief Financial Officer Act of 1990 and” and inserting “Chief Financial Officers Act of 1990,” and by inserting before the period at the end the following: “, and other relevant statutes”; and

(3) in subsection (f)(3)(A), by striking “paragraph (1)(A)” and inserting “paragraph (1)”.

TITLE II—TEACHER PREPARATION

SEC. 201. SENSE OF THE HOUSE OF REPRESENTATIVES.

It is the sense of the House of Representatives that title II of the Higher Education Act of 1965 should be amended as provided in H.R. 2211 as passed by the House of Representatives on July 9, 2003.

TITLE III—INSTITUTIONAL AID

SEC. 301. TITLE III GRANTS FOR AMERICAN INDIAN TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.

(a) ELIGIBLE INSTITUTIONS.—Subsection (b) of section 316 (20 U.S.C. 1059c(b)) is amended to read as follows:
“(b) DEFINITIONS.—

“(1) ELIGIBLE INSTITUTIONS.—For purposes of this section, Tribal Colleges and Universities are the following:

“(A) any of the following institutions that qualify for funding under the Tribally Controlled College or University Assistance Act of 1978 or is listed in Equity in Educational Land Grant Status Act of 1994 (7 U.S.C. 301 note):

Bay Mills Community College; Blackfeet Community College; Cankdeska Cikana Community College; Chief Dull Knife College; College of Menominee Nation; Crowpoint Institute of Technology; Diné College; D–Q University; Fond du Lac Tribal and Community College; Fort Belknap College; Fort Berthold Community College; Fort Peck Community College; Haskell Indian Nations University; Institute of American Indian and Alaska Native Culture and Arts Development; Lac Courte Oreilles Ojibwa Community College; Leech Lake Tribal College; Little Big Horn College; Little Priest Tribal College; Nebraska Indian Community College; Northwest Indian College; Oglala Lakota College; Saginaw Chippewa Tribal Col-
le; Salish Kootenai College; Si Tanka University—Eagle Butte Campus; Sinte Gleska University; Sisseton Wahpeton Community College; Sitting Bull College; Southwestern Indian Polytechnic Institute; Stone Child College; Tohono O’Odham Community College; Turtle Mountain Community College; United Tribes Technical College; and White Earth Tribal and Community College; and

“(B) any other institution that meets the definition of tribally controlled college or university in section 2 of the Tribally Controlled College or University Assistance Act of 1978, and meets all other requirements of this section.

“(2) INDIAN.—The term ‘Indian’ has the meaning given the term in section 2 of the Tribally Controlled College or University Assistance Act of 1978.”.

(b) DISTANCE LEARNING.—Subsection (c)(2) of such section is amended—

(1) by amending subparagraph (B) to read as follows:

“(B) construction, maintenance, renovation, and improvement in classrooms, libraries,
laboratories, and other instructional facilities, 
including purchase or rental of telecommuni-
cations technology equipment or services, and 
the acquisition of real property adjacent to the 
campus of the institution on which to construct 
such facilities;”;
(2) by striking “and” at the end of subpara-
graph (K);
(3) by redesignating subparagraph (L) as sub-
paragraph (M); and
(4) by inserting after subparagraph (K) the fol-
lowing new subparagraph:
“(L) developing or improving facilities for 
Internet use or other distance learning aca-
demic instruction capabilities; and”.
(e) APPLICATION AND ALLOTMENT.—Subsection (d) 
of such section is amended to read as follows:
“(d) APPLICATION AND ALLOTMENT.—
“(1) INSTITUTIONAL ELIGIBILITY.—To be eligi-
ble to receive assistance under this section, a Tribal 
College or University shall be an eligible institution 
under section 312(b).
“(2) APPLICATION.—Any Tribal College or Uni-
versity desiring to receive assistance under this sec-
tion shall submit an application to the Secretary at
such time, and in such manner, as the Secretary
may reasonably require.

“(3) ALLOTMENTS TO INSTITUTIONS.—

“(A) ALLOTMENT: PELL GRANT BASIS.—
From the amount appropriated to carry out
this section for any fiscal year, the Secretary
shall allot to each eligible institution a sum
which bears the same ratio to one-half that
amount as the number of Pell Grant recipients
in attendance at such institution at the end of
the award year preceding the beginning of that
fiscal year bears to the total number of Pell
Grant recipients at all eligible institutions.

“(B) ALLOTMENT: DEGREE AND CERTIFI-
CATE BASIS.—From the amount appropriated
to carry out this section for any fiscal year, the
Secretary shall allot to each eligible institution
a sum which bears the same ratio to one-half
that amount as the number of degrees or cer-
tificates awarded by such institution during the
preceding academic year bears to the total num-
ber of degrees or certificates at all eligible insti-
tutions.

“(C) MINIMUM GRANT.—Notwithstanding
subparagraphs (A) and (B), the amount allot-
ted to each institution under this section shall not be less than $400,000.

“(4) SPECIAL RULES.—

“(A) CONCURRENT FUNDING.—For the purposes of this part, no Tribal College or University that is eligible for and receives funds under this section shall concurrently receive funds under other provisions of this part or part B.

“(B) EXEMPTION.—Section 313(d) shall not apply to institutions that are eligible to receive funds under this section.”.

SEC. 302. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING INSTITUTIONS.

(a) DISTANCE LEARNING.—Section 317(c)(2) (20 U.S.C. 1059d(c)(2)) is amended—

(1) by amending subparagraph (B) to read as follows:

“(A) 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;”;

(2) by striking “and” at the end of subpara-
graph (G);

(3) by striking the period at the end of sub-
paragraph (H) and inserting “; and”; and

(4) by inserting after subparagraph (H) the fol-
lowing new subparagraph:

“(I) development or improvement of facili-
ties for Internet use or other distance learning
academic instruction capabilities.”.

(b) ENDOWMENT FUNDS.—Section 317(c) is further
amended by adding at the end the following new para-
graph:

“(3) ENDOWMENT FUNDS.—

“(A) IN GENERAL.—An Alaska Native or
Native Hawaiian-serving institution may use
not more than 20 percent of the grant funds
provided under this section to establish or in-
crease an endowment fund at the institution.

“(B) MATCHING REQUIREMENT.—In order
to be eligible to use grant funds in accordance
with subparagraph (A), the institution shall
provide to the endowment fund from non-Fed-
eral funds an amount equal to the Federal
funds used in accordance with subparagraph (A), for the establishment or increase of the endowment fund.

“(C) APPLICABILITY OF OTHER PROVISIONS.—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).”.

(c) APPLICATION PROCESS.—Section 317(d) is amended—

(1) by adding at the end of paragraph (1) the following new sentences: “Each Alaska Native-serving institution and Native Hawaiian-serving institution shall develop a 5-year plan for improving the assistance provided to Alaska Native or Native Hawaiian students. Such plan shall not be subject to approval by the Secretary.”; and

(2) in paragraph (2)—

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

(B) by striking subparagraph (A) and inserting the following:
“(A) an assurance that the institution has
developed a 5-year plan for serving Alaska Na-
tive or Native Hawaiian students;
“(B) a list of activities and other informa-
tion that are consistent with the institution’s 5-
year plan; and”.

SEC. 303. GRANTS TO PART B INSTITUTIONS.

(a) USE OF FUNDS.—

(1) FACILITIES AND EQUIPMENT.—

(A) UNDERGRADUATE INSTITUTIONS.—

Paragraph (2) of section 323(a) (20 U.S.C.
1062(a)) is amended to read as follows:
“(2) Construction, maintenance, renovation,
and improvement in classrooms, libraries, labora-
tories, 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.”.

(B) GRADUATE AND PROFESSIONAL
SCHOOLS.—Paragraph (2) of section 326(c) is
amended to read as follows:
“(2) 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;”.

(2) OUTREACH AND COLLABORATION.—Paragraph (11) of section 323(a) is amended to read as follows:

“(11) Establishing community outreach programs and collaborative partnerships between part B institutions and local elementary or secondary schools. Such partnerships may include mentoring, tutoring, or other instructional opportunities that will boost student academic achievement and assist elementary and secondary school students in developing the academic skills and the interest to pursue postsecondary education.”.

(b) TECHNICAL ASSISTANCE.—Section 323 (20 U.S.C. 1062) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

“(c) TECHNICAL ASSISTANCE.—

“(1) IN GENERAL.—An institution may not use more than 2 percent of the grant funds provided
under this part to secure technical assistance services.

“(2) TECHNICAL ASSISTANCE SERVICES.—
Technical assistance services may include assistance with enrollment management, financial management, and strategic planning.

“(3) REPORT.—The institution shall report to the Secretary on an annual basis, in such form as the Secretary requires, on the use of funds under this subsection.”.

(c) DISTANCE LEARNING.—Section 323(a)(2) (20 U.S.C. 1062(a)(2)) is amended by inserting “development or improvement of facilities for Internet use or other distance learning academic instruction capabilities and” after “including”.

(d) MINIMUM GRANTS.—Section 324(d)(1) (20 U.S.C. 1063(d)(1)) is amended by inserting before the period at the end the following: “, except that, if the amount appropriated to carry out this part for any fiscal year exceeds the amount required to provide to each institution an amount equal to the total amount received by such institution under subsections (a), (b), and (c) for the preceding fiscal year, then the amount of such excess appropriation shall first be applied to increase the minimum allotment under this subsection to $750,000”.
(e) Eligible Graduate or Professional Schools.—

(1) General Authority.—Section 326(a)(1) (20 U.S.C. 1063b(a)(1)) is amended—

(A) by inserting “(A)” after “subsection (e) that”;

(B) by inserting before the period at the end the following: “, (B) 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, and (C) according to such an agency or association, is in good standing”.

(2) Eligible Institutions.—Section 326(e)(1) (20 U.S.C. 1063b(e)(1)) is amended—

(A) by striking “and” at the end of subparagraph (Q);

(B) by striking the period at the end of subparagraph (R) and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

“(S) Alabama State University qualified graduate program;
“(T) Prairie View A&M University qualified graduate program; and

“(U) Coppin State University qualified graduate program.”.

(3) Conforming Amendment.—Section 326(e)(3) (20 U.S.C. 1063b(e)(3)) is amended—

(A) by striking “1998” and inserting “2004”; and

(B) by striking “(Q) and (R)” and inserting “(S), (T), and (U)”.

(f) Professional or Graduate Institutions.—Section 326(f) (20 U.S.C. 1063b(f)) is amended—

(1) in paragraph (1)—

(A) by striking “$26,600,000” and inserting “$55,500,000”; and

(B) by striking “(P)” and inserting “(R)”;

(2) in paragraph (2)—

(A) by striking “$26,600,000 but not in excess of $28,600,000” and inserting “$55,500,000, but not in excess of $58,500,000”; and

(B) by striking “subparagraphs (Q) and (R)” and inserting “subparagraphs (S), (T), and (U)”;

(3) in paragraph (3)—
(A) by striking “$28,600,000” and insert-

ing “$58,500,000”; and

(B) by striking “(R)” and inserting “(U)”.

(g) HOLD HARMLESS.—Section 326(g) (20 U.S.C.
1063b(g)) is amended by striking “1998” and inserting
“2004”.

SEC. 304. TECHNICAL AMENDMENTS.

(a) AMENDMENTS.—Title III is further amended—

(1) in section 311(c) (20 U.S.C. 1057(c))—

(A) by redesignating paragraphs (7)
through (12) as paragraphs (8) through (13),
respectively; and

(B) by inserting after paragraph (6) the
following:

“(7) Education or counseling services designed
to improve the financial literacy and economic lit-
eracy of students and, as appropriate, their par-
ents.”;

(2) in section 312(b)(1)(F) (20 U.S.C.
1058(b)(1)(F)), by inserting “which is” before “lo-
cated”;

(3) in section 312(b)(1) (20 U.S.C.
1058(b)(1)), by redesignating subparagraphs (E)
and (F) as subparagraphs (F) and (G), respectively,
and by inserting after subparagraph (D) the following new subparagraph:

“(E) which provides a program that is not less than a 2-year educational program that is acceptable for full credit toward a bachelor’s degree;”;

(4) in section 316(b)(3) (20 U.S.C. 1059e(b)(3)), by striking “give” and inserting “given”; 

(5) in section 316(c)(2) (20 U.S.C. 1059e(c)(2))—

(A) by redesignating subparagraphs (G) through (M) (as redesignated by section 301(b)(2) of this Act) as subparagraphs (H) through (N), respectively;

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

“(G) education or counseling services designed to improve the financial literacy and economic literacy of students and, as appropriate, their parents;”; and

(C) in subparagraph (N), as redesignated by subparagraph (A), by striking “subparagraphs (A) through (K)” and inserting “subparagraphs (A) through (M)”;}
(6) in section 317(c)(2) (20 U.S.C. 1059d(c)(2))—

   (A) in subparagraph (G), by striking “and” after the semicolon;

   (B) in subparagraph (H), by striking the period at the end and inserting “; and”; and

   (C) by adding at the end the following:

      “(I) education or counseling services designed to improve the financial literacy and economic literacy of students and, as appropriate, their parents.”;

(7) in section 323(a) (20 U.S.C. 1062(a))—

   (A) by striking “section 360(a)(2)” and inserting “399(a)(2)”;

   (B) by redesignating paragraphs (7) through (12) as paragraphs (8) through (13), respectively; and

   (C) by inserting after paragraph (6) the following:

      “(7) Education or counseling services designed to improve the financial literacy and economic literacy of students and, as appropriate, their parents.”;

(9) in section 326(e)(1) (20 U.S.C. 1063b(e)(1)), in the matter preceding subparagraph (A), by inserting a colon after “the following”;

(10) in section 327(b) (20 U.S.C. 1063c(b)), by striking “initial”;

(11) in section 342(5)(C) (20 U.S.C. 1066a(5)(C))—

(A) by inserting a comma after “equipment” the first place it appears; and

(B) by striking “technology,” and inserting “technology,”;

(12) in section 343(e) (20 U.S.C. 1066b(e)), by inserting after the subsection designation the following: “SALE OF QUALIFIED BONDS.—”;

(13) in section 351(a) (20 U.S.C. 1067a(a)), by striking “of 1979”; and

(14) in section 396 (20 U.S.C. 1068e), by striking “section 360” and inserting “section 399”.

(b) REPEAL.—Section 1024 (20 U.S.C. 1135b–3), as transferred by section 301(a)(5) of the Higher Education Amendments of 1998 (Public Law 105–244; 112 Stat. 1636), is repealed.
SEC. 305. TITLE III AUTHORIZATIONS.

Section 399(a) (20 U.S.C. 1068h(a)) is amended—

(1) by striking “1999” each place it appears and inserting “2005”;

(2) by striking “4 succeeding fiscal years” each place it appears and inserting “5 succeeding fiscal years”;

(3) in paragraph (1)—

(A) by striking “$10,000,000” in subparagraph (B) and inserting “$23,800,000”; and

(B) by striking “$5,000,000” in subparagraph (C) and inserting “$11,000,000”;

(4) in paragraph (2)—

(A) by striking “$135,000,000” in subparagraph (A) and inserting “$241,000,000”; and

(B) by striking “$35,000,000” in subparagraph (B) and inserting “$59,000,000”; and

(5) in paragraph (4), by striking “$110,000” and inserting “$212,000”.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS

SEC. 401. PELL GRANTS.

(a) EXTENSION OF AUTHORITY.—Section 401(a) (20 U.S.C. 1070a(a)) is amended by striking “2004” and inserting “2011”.

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

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

Paragraph (2)(A) of section 401(b) (20 U.S.C. 1070a(b)(2)(A)) is amended to read as follows:

“(2)(A) The amount of the Federal Pell Grant for a student eligible under this part shall be $5,800 for academic years 2005–2006 through 2010–2011, less an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.”.

Section 401(b) is further amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) through (8) as paragraphs (3) through (7), respectively.

Paragraph (5) of section 401(b) (as redesignated by subsection (d)(2)) is amended to read as follows:

“(5) YEAR-ROUND PELL GRANTS.—

“(A) IN GENERAL.—The Secretary shall, for students enrolled full time in a baccalaureate program, determine the amount of the Federal Pell Grant for the academic year under this part based on the number of academic years remaining in the student’s program of study for the academic year in which the student is enrolled, not to exceed the amount determined in subparagraph (B).”.

The amount of the Federal Pell Grant for a student eligible under this part shall be $5,800 for academic years 2005–2006 through 2010–2011, less an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.”.
laureate degree program of study at an eligible
institution, award such students two Pell grants
during a single award year to permit such stu-
dents to accelerate progress toward their degree
objectives by enrolling in academic programs for
12 months rather than 9 months.

“(B) LIMITATION.—The Secretary shall
limit the awarding of additional Pell grants
under this paragraph in a single award year to
students attending baccalaureate degree grant-
ing institutions that have a graduation rate as
reported by the Integrated Postsecondary Edu-
cation Data System for the 4 preceding aca-
demic years of at least 30 percent.

“(C) EVALUATION.—The Secretary shall
conduct an evaluation of the program under
this paragraph and submit to the Congress an
evaluation report no later than October 1,
2010.

“(D) REGULATIONS REQUIRED.—The Sec-
retary shall promulgate regulations imple-
menting this paragraph.”.

(f) ELIGIBILITY PERIOD.—Section 401(c)(2) (20
U.S.C. 1070a(c)(2)) is amended by inserting “, for not
more than one academic year,” after “which are deter-
mained by the institution” in the first sentence.

(g) Pell Grants Plus: Achievement Grants
for State Scholars Program.—

(1) Amendment.—Subpart 1 of part A of title
IV is amended by inserting after section 401 (20
U.S.C. 1070a) the following new section:

“SEC. 401A. Pell Grants Plus: Achievement Grants
for State Scholars.

“(a) Grants Authorized.—From sums appro-
priated to carry out section 401, the Secretary shall estab-
lish a program to award Pell Grants Plus to students
who—

“(1) have successfully completed a rigorous
high school program of study established by a State
or local educational agency in consultation with a
State coalition assisted by the Center for State
Scholars;

“(2) are enrolled full-time in the first academic
year of undergraduate education, and have not been
previously enrolled in a program of undergraduate
education; and

“(3) are eligible to receive Federal Pell Grants
for the year in which the grant is awarded.

“(b) Amount of Grants.—
“(1) IN GENERAL.—Except as provided in para-
graph (2), the amount of the grant awarded under
this section shall be $1,000.

“(2) ASSISTANCE NOT TO EXCEED COST OF AT-
tendance.—A grant awarded under this section to
any student, in combination with the Federal Pell
Grant assistance and other student financial assis-
tance available to such student, may not exceed the
student’s cost of attendance.

“(c) SELECTION OF RECIPIENTS.—

“(1) PROCEDURES ESTABLISHED BY REGULA-
tion.—The Secretary shall establish by regulation
procedures for the determination of eligibility of stu-
dents for the grants awarded under this section.
Such procedures shall include measures to ensure
that eligibility is determined in a timely and accu-
rate manner consistent with the requirements of sec-
tion 482 and the submission of the financial aid
form required by section 483.

“(2) REQUIRED INFORMATION.—Each eligible
student desiring an award under this section shall
submit at such time and in such manner such infor-
mation as the Secretary may reasonably require.

“(3) CONTINUATION OF GRANT REQUIRE-
MENTS.—In order for a student to continue to be el-
eligible to receive an award under this section for the
second year of undergraduate education, the eligible
student must—

“(A) maintain eligibility to receive a Fed-
eral Pell Grant for that year;
“(B) obtain a grade point average of at
least 3.0 (or the equivalent as determined under
regulations prescribed by the Secretary) for the
first year of undergraduate education; and
“(C) be enrolled full-time and fulfill the re-
quirements for satisfactory progress described
in section 484(c).
“(d) Evaluation, and Reports.—The Secretary
shall monitor the progress, retention, and completion rates
of the students to whom awards are provided under this
section. In doing so, the Secretary shall evaluate the im-
pact of the Pell Grants Plus Program and report, not less
than biennially, to the authorizing committees of the
House of Representatives and the Senate.”.

(2) Conforming Amendment.—Chapter 3 of
subpart 2 of part A of title IV (20 U.S.C. 1070a–
31 through 1070a–35) is repealed.
(1) AMENDMENT.—Section 402A(b)(2) (20 U.S.C. 1070a–11(b)(2)) is amended to read as follows:

“(2) DURATION.—Grants or contracts awarded under this chapter shall be awarded for a period of 5 years, except that—

“(A) grants under section 402G shall be awarded for a period of 2 years; and

“(B) grants under section 402H shall be awarded for a period determined by the Secretary.”.

(2) TRANSITION TO SYNCHRONOUS GRANT PERIODS.—Notwithstanding section 402A(b)(2) of the Higher Education Act of 1965 (as in effect both prior to and after the amendment made by paragraph (1) of this subsection), the Secretary of Education may continue an award made before the date of enactment of this Act under section 402B, 402C, 402D, 402E, or 402F of such Act as necessary to permit all the awards made under such a section to expire at the end of the same fiscal year, and thereafter to expire at the end of 5 years as provided in the amendment made by paragraph (1) of this subsection.
(b) MINIMUM GRANTS.—Section 402A(b)(3) (20 U.S.C. 1070a–11(b)(3)) is amended to read as follows:

“(3) MINIMUM GRANTS.—Unless the institution or agency requests a smaller amount, individual grants for programs authorized under this chapter shall be no less than $200,000, except that individual grants for programs authorized under section 402G shall be no less than $170,000.”.

(e) PRIOR EXPERIENCE; NOVICE APPLICANTS.—Section 402A(c)(2) (20 U.S.C. 1070a–11(c)(2)) is amended—

(1) by striking “In making grants” and inserting “(A) Subject to subparagraph (B), in making grants”; and

(2) by adding at the end the following new sub-
paragraph:

“(B) From the amount available under sub-
section (f) for a program under this chapter (other
than a program under section 402G or 402H) for
any fiscal year in which the Secretary conducts a
competition for the award of grants or contracts
under such program, the Secretary shall reserve 10
percent of such available amount for purposes of
funding applications from novice applicants. If the
Secretary determines that there are an insufficient
number of qualified novice applicants to utilize the amount so reserved, the Secretary shall restore the unutilized remainder of the amount reserved for use by applicants qualifying under subparagraph (A).”.

(d) Application Status.—Section 402A(e) (20 U.S.C. 1070a–11(e)) is amended by striking paragraph (7).

(e) Documentation of Status.—Section 402A(e) (20 U.S.C. 1070a–11(e)) is amended by striking “(g)(2)” each place it appears in paragraphs (1) and (2) and inserting “(g)(4)”.

(f) Authorization of Appropriations.—Section 402A(f) (20 U.S.C. 1070a–11(f)) is amended by striking “$700,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “$835,000,000 for fiscal year 2005 and such sums as may be necessary for each of the 5 succeeding fiscal years”.

(g) Definition.—Section 402A(g) (20 U.S.C. 1070a–11(g)) is amended—

(1) in paragraph (3), by striking “by reason of such individual’s age”;

(2) by redesignating paragraphs (1) through (4) as paragraphs (3) through (6), respectively; and
(3) by inserting before paragraph (3), as redesignated, the following:

“(1) **DIFFERENT CAMPUS.**—The term ‘different campus’ means an institutional site 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, with respect to whom an entity seeks to serve through an application for funding under this chapter, that—

“(A) is separate and distinct from any other population that the entity seeks to serve through an application for funding under this chapter; or

“(B) while sharing some of the same needs as another population that the entity seeks to serve through an application for funding under this chapter, has distinct needs for specialized services.”.
(h) Education and Counseling Services.—

Chapter 1 of subpart 2 of part A of title IV is further amended—

(1) in section 402B(b) (20 U.S.C. 1070a–12(b))—

(A) by redesignating paragraphs (3) through (10) as paragraphs (4) through (11), respectively;

(B) by inserting after paragraph (2) the following:

“(3) education or counseling services designed to improve the financial literacy and economic literacy of students and, as appropriate, their parents;”; and

(C) in paragraph (11), as redesignated by subparagraph (A), by striking “paragraphs (1) through (9)” and inserting “paragraphs (1) through (10)”.

(2) in section 402C (20 U.S.C. 1070a–13)—

(A) in subsection (b)—

(i) by redesignating paragraphs (2) through (12) as paragraphs (3) through (13), respectively;

(ii) by inserting after paragraph (1) the following:
“(2) education or counseling services designed
to improve the financial literacy and economic lit-
eracy of students and, as appropriate, their par-
ents;”; and

(iii) in paragraph (13), as redesign-
gated by clause (i), by striking “para-
graphs (1) through (11)” and inserting
“paragraphs (1) through (12)”; and

(B) in subsection (e), by striking “sub-
section (b)(10)” and inserting “subsection
(b)(11)”;

(3) in section 402D(b) (20 U.S.C. 1070a–
14(b))—

(A) by redesignating paragraphs (2)
through (10) as paragraphs (3) through (11),
respectively;

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

“(2) education or counseling services designed
to improve the financial literacy and economic lit-
eracy of students and, as appropriate, their par-
ents;”; and

(C) in paragraph (11), as redesignated by
subparagraph (A), by striking “paragraphs (1)
through (9)” and inserting “paragraphs (1) through (10)”;

(4) in section 402E(b) (20 U.S.C. 1070a–15(b))—

(A) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(B) by inserting after paragraph (6) the following:

“(7) education or counseling services designed to improve the financial literacy and economic literacy of students and, as appropriate, their parents;”;

(5) in section 402F(b) (20 U.S.C. 1070a–16(b)) —

(A) by redesignating paragraphs (4) through (10) as paragraphs (5) through (11), respectively;

(B) by inserting after paragraph (3) the following:

“(4) education or counseling services designed to improve the financial literacy and economic literacy of students and, as appropriate, their parents;”; and

(C) in paragraph (11), as redesignated by subparagraph (A), by striking “paragraphs (1)
through (9)” and inserting “paragraphs (1) through (10)”.

(i) **MAXIMUM STIPENDS**.—Section 402C(e) (20 U.S.C. 1070a–13(e)) is amended—

(1) by striking “$60” and inserting “$100”;
and

(2) by striking “$40” and inserting “$60”.

(j) **STUDENT SUPPORT SERVICES**.—Section 402D(d)(6) (20 U.S.C. 1070a–14(d)(6)) is amended—

(1) by striking “and” at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting “; and”; and

(3) by inserting after subparagraph (B) the following new subparagraph:

“(C) working with other entities that serve low-income working adults to increase access to and successful progress in postsecondary education by low-income working adults seeking their first postsecondary degree or certificate.”.

(k) **POSTBACCALAUREATE ACHIEVEMENT MAXIMUM STIPENDS**.—Section 402E(e)(1) (20 U.S.C. 1070a–15(e)(1)) is amended by striking “$2,800” and inserting “$5,000”.

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(l) Educational Opportunity Centers: Application Approval.—Section 402F(c) (20 U.S.C. 1070a–16(c)) is amended—

(1) by striking “and” at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting “; and”; and

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

“(4) consider the extent to which the proposed project would provide services to low-income working adults in the region to be served, in order to increase access to postsecondary education by low-income working adults.”.

SEC. 403. GEARUP.

(a) Duration of Awards.—Section 404A(b) (20 U.S.C. 1070a–21(b)) is amended—

(1) in paragraph (2)(B), by striking “Higher Education Amendments of 1998” and inserting “College Access and Opportunity Act of 2004”; and

(2) by adding at the end thereof the following new paragraph:

“(3) Duration.—An award made by the Secretary under this chapter to an eligible entity de-
scribed in paragraph (1) or (2) of subsection (c) shall be for the period of 6 years.”.

(b) CONTINUING ELIGIBILITY.—Section 404A (20 U.S.C. 1070a–21) is amended by adding at the end the following new subsection:

“(d) CONTINUING ELIGIBILITY.—An eligible entity shall not cease to be an eligible entity upon the expiration of any grant under this chapter (including a continuation award).”.

(c) CONTINUITY OF SERVICE.—

(1) COHORT APPROACH.—Section 404B(g)(1)(B) (20 U.S.C. 1070a–22(g)(1)(B)) is amended by inserting “and provide the option of continued services through the student’s first year of attendance at an eligible institution of higher education” after “grade level”.

(2) EARLY INTERVENTION.—Section 404D (20 U.S.C. 1070a–24) is amended—

(A) in subsection (b)(2)(A), by inserting “and students in the first year of attendance at an eligible institution of higher education” after “grade 12”; and

(B) in subsection (e), by inserting “and may consider students in their first year of at-
tendance at an eligible institution who is eligi-
ble” after “grade 12”.

(d) COORDINATION.—Section 404C(a)(2) (20 U.S.C.
1070a–23(a)(2)) is amended—

(1) by striking “and” at the end of subpara-
graph (A);

(2) by redesignating subparagraph (B) as sub-
paragraph (C); and

(3) by inserting after subparagraph (A) the fol-
lowing new subparagraph:

“(B) describe activities for coordinating,
complementing, and enhancing services under
this chapter provided by other eligible entities
in the State; and”.

(e) EDUCATION AND COUNSELING SERVICES.—Sec-
is amended by striking “and academic counseling” and in-
serting “academic counseling, and financial literacy and
economic literacy education or counseling”.

(f) REAUTHORIZATION.—Section 404H (20 U.S.C.
1070a–28) is amended by striking “$200,000,000 for fis-
cal year 1999 and such sums as may be necessary for each
of the 4 succeeding fiscal years” and inserting
“$300,000,000 for fiscal year 2005 and such sums as may
be necessary for each of the 5 succeeding fiscal years”.
SEC. 404. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS.

(a) Authorization of Appropriations.—Section 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is amended by striking "$675,000,000 for fiscal year 1999 and such sums as may be necessary for the 4 succeeding fiscal years" and inserting "$770,500,000 for fiscal year 2005 and such sums as may be necessary for the 5 succeeding fiscal years".

(b) Phaseout of Allocation Based on Previous Allocations.—

(1) Amendment.—Subsection (a) of section 413D (20 U.S.C. 1070b–3(a)) is amended to read as follows:

“(a) Allocation Based on Previous Allocation.—

“(1) Base Guarantee.—From the amount appropriated pursuant to section 413A(b) for each fiscal year after fiscal year 2006, the Secretary shall, subject to paragraph (2), first allocate to each eligible institution an amount equal to the following percentage of the amount such institution received under subsection (a) of this section for fiscal year 2006 (as such subsection was in effect with respect to allocations for such fiscal year):
“(A) 80 percent for fiscal years 2007 and 2008;

“(B) 60 percent for fiscal years 2009 and 2010;

“(C) 40 percent for fiscal years 2011 and 2012;

“(D) 20 percent for fiscal years 2013 and 2014; and

“(E) 0 percent for fiscal year 2015 and any succeeding fiscal year.

“(2) Ratable reductions for insufficient appropriations.—

“(A) Reduction of base guarantee.—If the amount appropriated for any fiscal year is less than the amount required to be allocated to all institutions under this subsection, then the amount of the allocation to each such institution shall be ratably reduced.

“(B) Additional appropriations allocation.—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 this subsection).
“(3) ADDITIONAL ALLOCATIONS FOR CERTAIN INSTITUTIONS.—

“(A) ALLOCATIONS PERMITTED.—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 subpart exceeds $700,000,000 among eligible institutions described in subparagraph (B).

“(B) ELIGIBLE INSTITUTIONS.—For purposes of subparagraph (A)—

“(i) an eligible institution that is a 4-year institution may receive an allocation under subparagraph (A) if more than 50 percent of the students who are degree-seeking Pell Grant recipients attending such institution graduate within 4 calendar years of the first day of enrollment; and

“(ii) an eligible institution that is a 2-year institution may receive an allocation under subparagraph (A) if more than 50 percent of the students who are degree-seeking Pell Grant recipients attending
such institution graduate within 2 calendar years of the first day of enrollment.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to any amounts appropriated under section 413A(b) of the Higher Education Act of 1965 (20 U.S.C. 1070b(b)) for fiscal year 2007 or any succeeding fiscal year.

(c) BOOKS AND SUPPLIES.—Section 413D(c)(3)(D) (20 U.S.C. 1070–3(c)(3)(D)) is amended by striking “$450” and inserting “$600”.

SEC. 405. LEAP.

Section 415A(b)(1) (20 U.S.C. 1070c(b)(1)) is amended—

(1) by striking “1999” and inserting “2005”;

and

(2) by striking “4 succeeding” and inserting “5 succeeding”.

SEC. 406. HEP/CAMP PROGRAM.

Section 418A (20 U.S.C. 1070d–2) is amended—

(1) in subsection (b)(1)(B)(i), by inserting “, or whose spouse” after “themselves”;

(2) in subsection (b)(3)(B), by inserting “, including preparation for college entrance exams,” after “program”;

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(3) in subsection (b)(8), by inserting “, including child care and transportation” after “supportive services”;

(4) by striking “and” at the end of subsection (b)(7), by striking the period at the end of subsection (b)(8) and inserting “; and”, and by adding at the end of subsection (b) the following new paragraph:

“(9) follow-up activity and reporting requirements, except that not more than 2 percent of the funds provided under this section may be used for such purposes.”;

(5) in subsection (c)(1)(A), by inserting “, or whose spouse” after “themselves”;

(6) in subsection (c)(1)(B), by striking clause (i) and inserting the following:

“(i) personal, academic, career, and economic education or personal finance counseling as an ongoing part of the program;”;

(7) in subsection (c)(2)(B), by inserting “(including mentoring and guidance of such students)” after “services”;

(8) in subsection (c)(2), by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “;
and”, and by adding at the end of subsection (c)(2) the following new subparagraph:

“(C) for students in any program that does not award a bachelor’s degree, encouraging the transfer to, and persistence in, such a program, and monitoring the rate of such transfer, persistence, and completion.”; and

(9) in subsection (h)—

(A) in paragraph (1), by striking “$15,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “$24,000,000 for fiscal year 2005 and such sums as may be necessary for each of the 5 succeeding fiscal years”; and

(B) in paragraph (2), by striking “$5,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “$16,000,000 for fiscal year 2005 and such sums as may be necessary for each of the 5 succeeding fiscal years”.

SEC. 407. BYRD SCHOLARSHIP.

Section 419K (20 U.S.C. 1070d–41) is amended—
(1) by striking “1999” and inserting “2005”; and
(2) by striking “4 succeeding” and inserting “5 succeeding”.

SEC. 408. CHILD CARE ACCESS.

Section 419N(g) (20 U.S.C. 1070e(g)) is amended—
(1) by striking “1999” and inserting “2005”; and
(2) by striking “4 succeeding” and inserting “5 succeeding”.

SEC. 409. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.

(a) REPEAL.—Subpart 8 of part A of title IV (20 U.S.C. 1070f—1070f–6) is repealed.

(b) CONFORMING AMENDMENT.—Section 400(b) (20 U.S.C. 1070(b)) is amended by striking “through 8” and inserting “through 7”.

SEC. 410. TECHNICAL AMENDMENTS.

Part A of title IV is further amended as follows:

(1) Section 419C(b)(1) (20 U.S.C. 1070d–33(b)(1)) is amended by inserting “and” after the semicolon at the end thereof.

(2) Section 419D(d) (20 U.S.C. 1070d–34(d)) is amended by striking “Public Law 95–1134” and inserting “Public Law 95–134”.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

SEC. 421. REAUTHORIZATION OF FEDERAL FAMILY EDUCATION LOAN PROGRAM.

(a) Authorization of Appropriaions.—Section 421(b)(5) (20 U.S.C. 1071(b)(5)) is amended by striking “administrative cost allowance” and inserting “loan processing and issuance fee”.

(b) Extension of Authority.—

(1) Federal insurance limitations.—Section 424(a) (20 U.S.C. 1074(a)) is amended—

(A) by striking “2004” and inserting “2011”; and

(B) by striking “2008” and inserting “2015”.

(2) Guaranteed loans.—Section 428(a)(5) (20 U.S.C. 1078(a)(5)) is amended—

(A) by striking “2004” and inserting “2011”; and

(B) by striking “2008” and inserting “2015”.

(3) Consolidation loans.—Section 428C(e) (20 U.S.C. 1078–3(e)) is amended by striking “2004” and inserting “2011”.

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SEC. 422. LOAN LIMITS.

(a) Federal Insurance Limits.—Section 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended—

(1) in clause (i)(I), by striking “$2,625” and inserting “$3,500”; and

(2) in clause (ii)(I), by striking “$3,500” and inserting “$4,500”.

(b) Guarantee Limits.—Section 428(b)(1)(A) (20 U.S.C. 1078(b)(1)(A)) is amended—

(1) in clause (i)(I), by striking “$2,625” and inserting “$3,500”; and

(2) in clause (ii)(I), by striking “$3,500” and inserting “$4,500”.

(c) Counting of Consolidation Loans Against Limits.—Section 428C(a)(3)(B) (20 U.S.C. 1078–3(a)(3)(B)) is amended by adding at the end the following new clause:

“(ii) Loans made under this section shall, to the extent used to discharge loans made under this title, be counted against the applicable limitations on aggregate indebtedness contained in sections 425(a)(2), 428(b)(1)(B), 428H(d), 455, and 464(a)(2)(B).”.

(d) Effective Date.—The amendments made by this section shall apply with respect to any loan made, insured, or guaranteed under part B or part D of title IV
of the Higher Education Act of 1965 for which the first
disbursement of principal is made on or after July 1,
2006.

4 SEC. 423. INTEREST RATES AND SPECIAL ALLOWANCES.

(a) FFEL INTEREST RATE.—Section 427A (20
U.S.C. 1077a(k)) is amended—

(1) in subsection (k)—

(A) by striking “, AND BEFORE JULY 1,
2006” in the heading of such subsection; and

(B) by striking “, and before July 1,
2006,” each place it appears other than para-
graph (4);

(2) by striking subsection (l); and

(3) by redesignating subsections (m) and (n) as
subsections (l) and (m), respectively.

(b) DIRECT LOAN INTEREST RATES.—Section
455(b) (20 U.S.C. 1087e(b)) is amended—

(1) in paragraph (6)—

(A) by striking “, AND BEFORE JULY 1,
2006” in the heading of such paragraph; and

(B) by striking “, and before July 1,
2006,” each place it appears other than sub-
paragraph (D);

(2) by striking paragraph (7); and
(3) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

c) Consolidation Loans.—

(1) FFEL Consolidation Loans.—Section 427A(k) (20 U.S.C. 1077a(k)) is further amended—

(A) by redesignating paragraph (5) as paragraph (6); and

(B) by inserting after paragraph (4) the following new paragraph:

“(5) Variable Rate for Consolidation Loans.—With respect to any consolidation loan under section 428C for which the application is received by an eligible lender on or after 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—

“(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

“(B) 2.3 percent, except that such rate shall not exceed 8.25 percent, and the rate determined under paragraph (3) shall apply in lieu of the rate determined under this paragraph in the case of any such consolidation loan that
is used to repay loans each of which was made under section 428B or was a Federal Direct PLUS Loan (or both).”

(2) DIRECT CONSOLIDATION LOANS.—Section 455(b)(6) (20 U.S.C. 1087e(b)(6)) is further amended—

(A) by redesignating subparagraph (E) as subparagraph (F); and

(B) by inserting after subparagraph (D) the following new subparagraph:

“(E) VARIABLE RATE FOR CONSOLIDATION LOANS.—With respect to any Federal Direct Consolidation loan for which the application is received on or after 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, and the rate determined under subparagraph (C) shall apply in lieu of the rate deter-
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mined under this subparagraph in the case of
any such consolidation loan that is used to
repay loans each of which was made under sec-
tion 428B or was a Federal Direct PLUS Loan
(or both).”.

(d) CONSOLIDATION LOAN CONFORMING AMEND-
3(c)(1)(A)(ii)) is amended by striking “section
427A(l)(3)” and inserting “section 427A(k)(5)”.

(e) CONFORMING AMENDMENTS FOR SPECIAL AL-
LOWANCES.—

(1) AMENDMENT.—Subparagraph (I) of section
438(b)(2) (20 U.S.C. 1087–1(b)(2)) is amended—
(A) by striking clause (ii) and inserting the
following:

“(ii) IN SCHOOL AND GRACE PE-
RIOD.—In the case of any loan for which
the first disbursement is made on or after
January 1, 2000, and for which the appli-
cable interest rate is described in section
427A(k)(2), clause (i)(III) of this subpara-
graph shall be applied by substituting
‘1.74 percent’ for ‘2.34 percent’.”;
(B) in clause (iii)—
(i) by striking “or (l)(2)”; and
(ii) by striking ‘‘, subject to clause (v) of this subparagraph’’;

(C) in clause (iv)—

(i) by striking ‘‘or (l)(3)’’ and inserting ‘‘or (k)(5)’’; and

(ii) by striking ‘‘, subject to clause (vi) of this subparagraph’’; and

(D) by striking clauses (v), (vi), and (vii) and inserting the following:

“(v) RECAPTURE OF EXCESS INTEREST.—

“(I) EXCESS CREDITED.—With respect to a loan on which the applicable interest rate is determined under section 427A(k) and for which the first disbursement of principal is made on or after July 1, 2005, if the applicable interest rate for any 3-month period exceeds the special allowance rate applicable to such loan under this subparagraph for such period, then an adjustment shall be made by calculating the excess interest in the amount computed under subclause (II) of this clause, and by
crediting the excess interest to the Government not less often than annually.

“(II) **Calculation of Excess.**—The amount of any adjustment of interest on a loan to be made under this subsection for any quarter shall be equal to—

“(aa) the applicable interest rate minus the special allowance rate determined under this subparagraph; multiplied by

“(bb) the average daily principal balance of the loan (not including unearned interest added to principal) during such calendar quarter; divided by

“(cc) four.”.

(2) **Effective Date.**—The amendments made by this subsection shall not apply with respect to any special allowance payment made under section 438 of the Higher Education Act of 1965 (20 U.S.C 1087–1) before July 1, 2005.
(f) *Special Allowance for Loans From the Proceeds of Tax Exempt Issues.*—Section 438(b)(2)(B) (20 U.S.C. 1087–1(b)(2)(B)) is amended—

(1) in clause (i), by striking “this division” and inserting “this clause”;

(2) in clause (ii), by striking “division (i) of this subparagraph” and inserting “clause (i) of this subparagraph”;

(3) in clause (iv), by inserting “or refunded after May 5, 2004,” after “October 1, 1993,”; and

(4) by adding at the end the following new clause:

“(v) Notwithstanding clauses (i) and (ii), the quarterly rate of the special allowance shall be the rate determined under subparagraph (A), (E), (F), (G), (H), or (I) of this paragraph, or paragraph (4), as the case may be, for a holder of loans that—

“(I) were made or purchased with funds—

“(aa) obtained from the issuance of obligations the income from which is excluded from gross income under the Internal Revenue Code of 1986 and which obligations were originally issued before October 1, 1993; or
“(bb) obtained from collections or default reimbursements on, or interests or other income pertaining to, eligible loans made or purchased with funds described in division (aa), or from income on the investment of such funds; and “(II) were—
“(aa) financed by such an obligation that has matured, or been retired or defeased;
“(bb) refinanced after May 5, 2004, with funds obtained from a source other than funds described in subclause (I) of this clause; or
“(cc) sold or transferred to any other holder.”.

SEC. 424. ADDITIONAL LOAN TERMS AND CONDITIONS.
(a) DISBURSEMENT.—Section 428(b)(1)(N) (20 U.S.C. 1078(b)(1)(N)(ii)) is amended—
(1) by striking “or” at the end of clause (i);
and
(2) by striking clause (ii) and inserting the following:
“(ii) in the case of a student who is studying outside the United States in a
program of study abroad that is approved for credit by the home institution at which such student is enrolled, are, at the request of the student, disbursed directly to the student by the means described in clause (i), unless such student requests that the check be endorsed, or the funds transfer authorized, pursuant to an authorized power-of-attorney; or

“(iii) in the case of a student who is studying outside the United States in a program of study at an eligible foreign institution, are, at the request of the foreign institution, disbursed directly to the student by the means described in clause (i).”.

(b) REPAYMENT PLANS.—

(1) FFEL LOANS.—Section 428(b)(9)(A) (20 U.S.C. 1078(b)(9)(A)) is amended—

(A) by inserting before the semicolon at the end of clause (ii) the following: “, and the Secretary may not restrict the proportions or ratios by which such payments may be graduated with the informed agreement of the borrower”;
(B) by striking “and” at the end of clause (iii); 
(C) by redesignating clause (iv) as clause (v); and 
(D) by inserting after clause (iii) the following new clause:

“(iv) a delayed repayment plan under which the borrower makes scheduled payments for not more than 2 years that are annually not less than the amount of interest due or $300, whichever is greater, and then makes payments in accordance with clause (i), (ii), or (iii); and”.

(2) DIRECT LOANS.—Section 455(d)(1) (20 U.S.C. 1087e(d)(1)) is amended—

(A) by redesignating subparagraph (D) as subparagraph (E); and 
(B) by striking subparagraphs (A), (B), and (C) and inserting the following:

“(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) a delayed repayment plan under which the borrower makes scheduled payments for not more than 2 years that are annually not less than the amount of interest due or $300, whichever is greater, and then makes payments in accordance with subparagraph (A), (B), or (C); and”.

(e) ORIGINATION FEES.—

(1) AMENDMENTS.—Paragraph (2) of section 438(c) (20 U.S.C. 1087–1(c)) is amended—

(A) by striking the designating and heading of such paragraph and inserting the following:

“(2) AMOUNT OF ORIGINATION FEES.—

“(A) IN GENERAL.—”; and

(B) by adding at the end the following new subparagraphs:

“(B) SUBSEQUENT REDUCTIONS.—Subparagraph (A) shall be applied to loans made
under this part other than loans made under sections 428C and 439(o)—

“(i) by substituting ‘2.0 percent’ for ‘3.0 percent’ with respect to loans for which the first disbursement of principal is made on or after July 1, 2006, and before July 1, 2008;

“(ii) by substituting ‘1.5 percent’ for ‘3.0 percent’ with respect to loans for which the first disbursement of principal is made on or after July 1, 2008, and before July 1, 2010; and

“(iii) by substituting ‘1.0 percent’ for ‘3.0 percent’ with respect to loans for which the first disbursement of principal is made on or after July 1, 2010.”.

(2) CONFORMING AMENDMENT TO DIRECT LOAN PROGRAM.—Subsection (c) of section 455 (20 U.S.C. 1087e(c)) is amended to read as follows:

“(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 reductions.—Paragraph (1) shall be applied to loans made under this part other than consolidation loans and PLUS loans—

“(A) 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, 2006, and before July 1, 2008;

“(B) 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, 2008, and before July 1, 2010; and

“(C) 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.”.

SEC. 425. CONSOLIDATION LOAN CHANGES.

(a) Amendments.—Section 428C (20 U.S.C. 1078–3) is amended—

(1) in subsection (a)(3), by striking subparagraph (C); and

(2) in subsection (b)(1)—

(A) by striking everything after “under this section” the first place it appears in subparagraph (A) and inserting the following: “and that, if all the borrower’s loans under this part
are held by a single holder, the borrower has notified such holder that the borrower is seeking to obtain a consolidation loan under this section;”;

(B) by striking “(i) which” and all that follows through “and (ii)” in subparagraph (C);

(C) by striking “and” at the end of subparagraph (E);

(D) by redesignating subparagraph (F) as subparagraph (G); and

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

“(F) that the lender of the consolidation loan shall, upon application for such loan, provide the borrower with a clear and conspicuous notice of at least the following information:

“(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 loan forgiveness, cancellation, and deferment;

“(iii) the ability for the borrower to prepay the loan, pay on a shorter schedule,
and to change repayment plans, and that borrower benefit programs may vary among different loan holders;

“(iv) the tax benefits for which borrowers may be eligible;

“(v) the consequences of default; and

“(vi) that by making the application the applicant is not obligated to agree to take the consolidation loan; and”.

(b) EFFECTIVE DATE FOR SINGLE HOLDER AMENDMENT.—The amendment made by subsection (a)(2)(A) shall apply with respect to any loan made under section 428C of the Higher Education Act of 1965 (20 U.S.C. 1078–3) for which the application is received by an eligible lender on or after July 1, 2006.

(e) CONFORMING AMENDMENTS TO DIRECT LOAN PROGRAM.—

(1) PARALLEL TERMS, CONDITIONS, BENEFITS, AND AMOUNTS.—Section 455(a)(1) (20 U.S.C. 1087e(a)(1)) is amended by inserting “428C,” after “428B,”.

(2) DISCLOSURE.—Section 455(g) (20 U.S.C. 1087e(g)) is amended by adding at the end the following new sentences: “The Secretary, upon applica-
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tion for such a loan, shall comply with the require-
ments applicable to a lender under 428C(b)(1)(F).”

SEC. 426. UNSUBSIDIZED STAFFORD LOANS.

(a) Amendment.—Section 428H(d)(2)(C) (20
U.S.C. 1078–8(d)(2)(C)) is amended by striking
“$10,000” and inserting “$12,000”.

(b) Effective Date.—The amendment made by
subsection (a) shall apply to loans for which the first dis-
bursement of principal is made on or after July 1, 2006.

SEC. 427. TEACHER RECRUITMENT AND RETENTION.

(a) Increased Qualified Loan Amounts.—

(1) FFEL loans.—Section 428J(c) (20 U.S.C.
1078–10(c)) is amended by adding at the end the
following new paragraph:

“(3) Increased amounts for teachers in
mathematics, science, or special education,
and reading specialists.—

“(A) Service qualifying for in-
creased amounts.—Notwithstanding the
amount specified in paragraph (1), the aggre-
gate amount that the Secretary shall repay
under this section shall not be more than
$17,500 in the case of—

“(i) a secondary school teacher—
“(I) who meets the requirements of subsection (b), subject to subparagraph (D) of this paragraph; and

“(II) whose qualifying employment for purposes of such subsection has been teaching mathematics or science on a full-time basis;

“(ii) an elementary or secondary school teacher—

“(I) who meets the requirements of subsection (b), subject to subparagraph (D) of this paragraph;

“(II) whose qualifying employment for purposes of such subsection has been 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 Act); and

“(III) who, as certified by the chief administrative officer of the public or nonprofit private elementary or secondary school in which the borrower is employed, is teaching chil-
dren 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 or secondary school curriculum that the borrower is teaching; and

“(iii) an elementary or secondary school teacher who primarily teaches reading and—

“(I) who meets the requirements of subsection (b), subject to subparagraph (D) of this paragraph;

“(II) who has obtained a separate reading instruction credential from the State in which the teacher is employed; and

“(III) who is certified by the chief administrative officer of the public or nonprofit private elementary or secondary school in which the borrower is employed to teach reading—

“(aa) as being proficient in teaching the essential components of reading instruction as
defined in section 1208 of the Elementary and Secondary Education Act of 1965; and

“(bb) as having such credential.

“(B) ACCELERATED PAYMENT.—Notwithstanding the requirements of subsection (b)(1) and paragraph (1) of this subsection that 5 consecutive complete years of service have been completed prior to the receipt of loan forgiveness, in the case of service described in subparagraph (A) of this paragraph, the Secretary shall repay a portion of a borrower’s loan obligation outstanding at the commencement of the qualifying service under this subsection, not to exceed a total of $17,500, in the following increments:

“(i) up to $1,750, or 10 percent of such outstanding loan obligation, whichever is less, at the completion of the second year of such service;

“(ii) up to $2,625, or 15 percent of such outstanding loan obligation, whichever is less, at the completion of the third year of such service;
“(iii) up to $4,375, or 25 percent of such outstanding loan obligation, whichever is less, at the completion of the fourth year of such service; and

“(iv) up to $8,750, or 50 percent of such outstanding loan obligation, whichever is less, at the completion of the fifth year of such service.

“(C) Promise to complete service required for accelerated payment.—Any borrower who receives accelerated payment under this paragraph shall enter into an agreement to continue in the qualifying service for not less than 5 consecutive complete school years, or, upon a failure to complete such 5 years, to repay the United States, in accordance with regulations prescribed by the Secretary, the amount of the loans repaid by the Secretary under this paragraph, together with interest thereon and, to the extent required in such regulations, the reasonable costs of collection. Such regulations may provide for waiver by the Secretary of such repayment obligations upon proof of economic hardship as specified in such regulations.
“(D) Higher poverty enrollment re-
quired.—In order to qualify for an increased
repayment amount under this paragraph, sec-
tion 465(a)(2)(A) shall, for purposes of sub-
section (b)(1)(A) of this section, be applied by
substituting ‘40 percent of the total enrollment’
for ‘30 percent of the total enrollment’.”.

(2) Direct loans.—Section 460(c) (20 U.S.C.
1087j(c)) is amended by adding at the end the fol-
lowing new paragraph:

“(3) Increased amounts for teachers in
mathematics, science, or special education,
and reading specialists.—

“(A) Service qualifying for in-
creased amounts.—Notwithstanding the
amount specified in paragraph (1), the aggreg-
ate amount that the Secretary shall repay
under this section shall not be more than
$17,500 in the case of—

“(i) a secondary school teacher—

“(I) who meets the requirements
of subsection (b)(1), subject to sub-
paragraph (D) of this paragraph; and

“(II) whose qualifying employ-
ment for purposes of such subsection
has been teaching mathematics or
science on a full-time basis;
“(ii) an elementary or secondary
school teacher—

“(I) who meets the requirements
of subsection (b)(1), subject to sub-
paragraph (D) of this paragraph;

“(II) whose qualifying employ-
ment for purposes of such subsection
has been as a special education teach-
er whose primary responsibility is to
provide special education to children
with disabilities (as those terms are
defined in section 602 of the Individ-
uals with Disabilities Act); and

“(III) who, as certified by the
chief administrative officer of the pub-
lic or nonprofit private elementary or
secondary school in which the bor-
rower is employed, is teaching chil-
dren with disabilities that correspond
with the borrower’s special education
training and has demonstrated knowl-
edge and teaching skills in the content
areas of the elementary or secondary
school curriculum that the borrower is
teaching; and

“(iii) an elementary or secondary
school teacher who primarily teaches read-
ing and—

“(I) who meets the requirements
of subsection (b), subject to subpara-
graph (D) of this paragraph;

“(II) who has obtained a sepa-
rate reading instruction credential
from the State in which the teacher is
employed; and

“(III) who is certified by the
chief administrative officer of the pub-
lic or nonprofit private elementary or
secondary school in which the bor-
rower is employed to teach reading—

“(aa) as being proficient in
teaching the essential com-
ponents of reading instruction as
defined in section 1208 of the El-
lementary and Secondary Edu-
cation Act of 1965; and

“(bb) as having such creden-
tial.
“(B) ACCELERATED PAYMENT.—Notwithstanding the requirements of subsection (b)(1)(A) and paragraph (1) of this subsection that 5 consecutive complete years of service have been completed prior to the receipt of loan forgiveness, in the case of service described in subparagraph (A) of this paragraph, the Secretary shall repay a portion of a borrower’s loan obligation outstanding at the commencement of the qualifying service under this subsection, not to exceed a total of $17,500, in the following increments:

“(i) up to $1,750, or 10 percent of such outstanding loan obligation, whichever is less, at the completion of the second year of such service;

“(ii) up to $2,625, or 15 percent of such outstanding loan obligation, whichever is less, at the completion of the third year of such service;

“(iii) up to $4,375, or 25 percent of such outstanding loan obligation, whichever is less, at the completion of the fourth year of such service; and
“(iv) up to $8,750, or 50 percent of such outstanding loan obligation, whichever is less, at the completion of the fifth year of such service.

“(C) PROMISE TO COMPLETE SERVICE REQUIRED FOR ACCELERATED PAYMENT.—Any borrower who receives accelerated payment under this paragraph shall enter into an agreement to continue in the qualifying service for not less than 5 consecutive complete school years, or, upon a failure to complete such 5 years, to repay the United States, in accordance with regulations prescribed by the Secretary, the amount of the loans repaid by the Secretary under this paragraph, together with interest thereon and, to the extent required in such regulations, the reasonable costs of collection. Such regulations may provide for waiver by the Secretary of such repayment obligations upon proof of economic hardship as specified in such regulations.

“(D) HIGHER POVERTY ENROLLMENT REQUIRED.—In order to qualify for an increased repayment amount under this paragraph, section 465(a)(2)(A) shall, for purposes of sub-
section (b)(1)(A)(i) of this section, be applied
by substituting ‘40 percent of the total enroll-
ment’ for ‘30 percent of the total enrollment’.”.

(b) IMPLEMENTING HIGHLY QUALIFIED TEACHER

REQUIREMENTS.—

(1) AMENDMENTS.—

(A) FFEL LOANS.—Section 428J(b)(1)
(20 U.S.C. 1078–10(b)(1)) is amended—

(i) by inserting “and” after the semi-
colon at the end of subparagraph (A); and

(ii) by striking subparagraphs (B) and

(C) and inserting the following:

“(B) if employed as an elementary or sec-
ondary school teacher, is highly qualified as de-
dined in section 9101(23) of the Elementary
Secondary Education Act of 1965; and”.

(B) DIRECT LOANS.—Section 460(b)(1)(A)
(20 U.S.C. 1087j(b)(1)(A)) is amended—

(i) by inserting “and” after the semi-
colon at the end of clause (i); and

(ii) by striking clauses (ii) and (iii)
and inserting the following:

“(ii) if employed as an elementary or
secondary school teacher, is highly quali-
fied as defined in section 9101(23) of the
Elementary Secondary Education Act of 1965; and’.

(2) TRANSITION RULE.—

(A) RULE.—The amendments made by paragraph (1) of this subsection to sections 428J(b)(1) and 460(b)(1)(A) of the Higher Education Act of 1965 shall not be applied to disqualify any individual who, before the date of enactment of this Act, commenced service that met and continues to meet the requirements of such sections as in effect before such date of enactment.

(B) RULE NOT APPLICABLE TO INCREASED QUALIFIED LOAN AMOUNTS.—Subparagraph (A) of this paragraph shall not apply for purposes of obtaining increased qualified loan amounts under sections 428J(b)(3) and 460(b)(3) of the Higher Education Act of 1965 as added by subsection (a) of this section.

(c) INFORMATION ON BENEFITS TO RURAL SCHOOL DISTRICTS.—The Secretary shall—

(1) notify local educational agencies eligible to participate in the Small Rural Achievement Program authorized under subpart 1 of part B of title VI of the Elementary and Secondary Education Act of
1965 of the benefits available under the amendments made by this section; and

(2) encourage such agencies to notify their teachers of such benefits.

SEC. 428. ADDITIONAL ADMINISTRATIVE PROVISIONS.

(a) TREATMENT OF EXEMPT CLAIMS.—

(1) INSURANCE COVERAGE.—Section 428(b)(1)(G) (20 U.S.C. 1078(b)(1)(G)) is amended by inserting before the semicolon at the end the following: “and 100 percent of the unpaid principal amount of exempt claims as defined in subsection (c)(1)(G)”.

(2) TREATMENT.—Section 428(c)(1) (20 U.S.C. 1078(c)(1)) is amended—

(A) by redesignating subparagraph (G) as subparagraph (H), and moving such subparagraph 2 em spaces to the left; and

(B) by inserting after subparagraph (F) the following new subparagraph:

“(G)(i) Notwithstanding any other provisions of this section, in the case of exempt claims, the Secretary shall apply the provisions of—

“(I) the fourth sentence of subparagraph (A) by substituting ‘100 percent’ for ‘95 percent’;
“(II) subparagraph (B)(i) by substituting ‘100 percent’ for ‘85 percent’; and

“(III) subparagraph (B)(ii) by substituting ‘100 percent’ for ‘75 percent’.

“(ii) For purposes of clause (i) of this subparagraph, the term ‘exempt claims’ means claims with respect to loans for which it is determined that the borrower (or the student on whose behalf a parent has borrowed), without the lender’s or the institution’s knowledge at the time the loan was made, provided false or erroneous information or took actions that caused the borrower or the student to be ineligible for all or a portion of the loan or for interest benefits thereon.”.

(b) DOCUMENTATION OF FORBEARANCE AGREEMENTS.—Section 428(c) (20 U.S.C. 1078(c)) is further amended—

(1) in paragraph (3)(A)(i), by striking “in writing”; and

(2) by adding at the end the following new paragraph:

“(10) DOCUMENTATION OF FORBEARANCE AGREEMENTS.—For the purposes of paragraph (3), the terms of forbearance agreed to by the parties shall be documented by confirming the agreement of
the borrower by notice to the borrower from the
lender, and by recording the terms in the borrower’s
file.”.

(c) VOLUNTARY FLEXIBLE AGREEMENTS.—Section
428A (20 U.S.C. 1078–1) is amended—

(1) in subsection (a)(1)(B), by striking “unless
the Secretary” and all that follows through “des-
ignated guarantor”;

(2) by striking paragraph (2) of subsection (a);

(3) in paragraph (4)(B) of such subsection, by
striking “and any waivers provided to other guar-
anty agencies under paragraph (2)”;

(4) by redesignating paragraphs (3) and (4) of
subsection (a) as paragraphs (2) and (3), respec-
tively; and

(5) by striking paragraph (3) of subsection (e)
and inserting the following:

“(3) NOTICE TO INTERESTED PARTIES.—Once
the Secretary reaches a tentative agreement in prin-
ciple under this section, the Secretary shall publish
in the Federal Register a notice that invites inter-
ested parties to comment on the proposed agree-
ment. The notice shall state how to obtain a copy of
the tentative agreement in principle and shall give
interested parties no less than 30 days to provide
comments. The Secretary may consider such com-
ments prior to providing the notices pursuant to
paragraph (2).”.

(d) DEFAULT REDUCTION PROGRAM.—Section
428F(a)(1) (20 U.S.C. 1078–6(a)(1)) is amended—

(1) in subparagraph (A), by striking “consecu-
tive payments for 12 months” and inserting “9 pay-
ments made within 20 days of the due date during
10 consecutive months”; and

(2) by redesignating subparagraph (C) as sub-
paragraph (D); and

(3) by inserting after subparagraph (B) the fol-
lowing new subparagraph:

“(C)(i) A guaranty agency may charge and
retain collection costs in an amount not to ex-
ceed 18.5 percent of the outstanding principal
and interest at the time of sale of a loan reha-
bilitated under subparagraph (A).

“(ii) Notwithstanding clause (i), on and
after July 1, 2006, a guaranty agency that re-
habilitates a defaulted loan by making a con-
solidation loan to a borrower under section
428C(a)(3)(A)(ii)(III) may not charge and re-
tain collection costs in an amount in excess of
10 percent of the outstanding principal and interest of the defaulted loans being consolidated.

“(iii) For any year beginning on or after July 1, 2009, the total principal and interest of loans that a guaranty agency rehabilitates by making consolidation loans to borrowers under such section shall not exceed 45 percent of the total loans rehabilitated under subparagraph (A).”.

(c) Financial and Economic Literacy.—

(1) Default Reduction Program.—Section 428F is further amended by adding at the end the following:

“(c) Financial and Economic Literacy.—Where appropriate, each program described under subsection (b) shall include making available financial and economic education materials for the borrower.”.

(2) Program Assistance for Borrowers.—

Section 432(k)(1) (20 U.S.C. 1082(k)(1)) is amended by striking “and offering” and all that follows through the period and inserting “, offering loan repayment matching provisions as part of employee benefit packages, and providing employees with financial and economic education and counseling.”.
(f) **Credit Bureau Organization Agreements.**—Section 430A(a) (20 U.S.C. 1080a(a)) is amended by striking “agreements with credit bureau organizations” and inserting “an agreement with each national credit bureau organization (as described in section 603(p) of the Fair Credit Reporting Act)”.

(g) **Uniform Administrative and Claims Procedure.**—Section 432(l)(1)(H) (20 U.S.C. 1082(l)(1)(H)) is amended by inserting “and anticipated graduation date” after “status change”.

(h) **Default Reduction Management.**—Section 432 is further amended—

1. by striking subsection (n); and
2. by redesignating subsections (o) and (p) as subsections (n) and (o), respectively.

(i) **School as Lender.**—Section 435(d)(2) (20 U.S.C. 1085(d)(2)) is amended by striking subparagraphs (C) through (F) and the material following subparagraph (F) and inserting the following:

“(C) shall not make a loan, other than a loan made under section 428 or 428H to a graduate or professional student, unless the borrower has previously received a loan from the school, and shall not make a loan to a borrower who is not enrolled at that institution;
“(D) shall not have a cohort default rate (as defined in section 435(m)) greater than 15 percent; and

“(E) shall use the proceeds from special allowance payments and interest payments from borrowers, and any proceeds from the sale or other disposition of loans, for need-based grant programs, except for reasonable reimbursement for direct administrative expenses.”.

(j) Disability Determinations.—Section 437(a) (20 U.S.C. 1087(a)) is amended by adding at the end the following new sentence: “In making such determination of permanent and total disability, the Secretary shall provide that a borrower who has been certified as permanently and totally disabled by the Department of Veterans Affairs or the Social Security Administration shall not be required to present further documentation for purposes of this title.”.

(k) Treatment of Falsey Certified Borrowers.—Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is amended by inserting “or parent’s eligibility” after “such student’s eligibility”.

(l) Perfection of Security Interests.—Section 439(d) (20 U.S.C. 1087–2(d)) is amended—

(1) by striking paragraph (3); and
(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(m) ADDITIONAL TECHNICAL AMENDMENTS.—

(1) Section 428(a)(2)(A) (20 U.S.C. 1078(a)(2)(A)) is amended—

(A) by striking “and” at the end of subclause (II) of clause (i); and

(B) by moving the margin of clause (iii) two ems to the left.

(2) Section 428H(e) (20 U.S.C. 1078–8(e)) is amended—

(A) by striking paragraph (6); and

(B) by redesignating paragraph (7) as paragraph (6).

(3) Section 428I(g) (20 U.S.C. 1078–9(g)) is amended by striking “Code,” and inserting “Code”.

(4) Section 432(m)(1)(B) (20 U.S.C. 1082(m)(1)(B)) is amended—

(A) in clause (i), by inserting “and” after the semicolon at the end; and

(B) in clause (ii), by striking “; and” and inserting a period.

PART C—FEDERAL WORK-STUDY PROGRAMS

SEC. 441. AUTHORIZATION OF APPROPRIATIONS.

Section 441(b) (42 U.S.C. 2751(b)) is amended—
(1) by striking “1999” and inserting “2005”;

and

(2) by striking “4 succeeding” and inserting “5 succeeding”.

SEC. 442. COMMUNITY SERVICE.

Section 441(c)(1) (42 U.S.C. 2751(c)(1)) is amended by striking “that are open and accessible to the community”.

SEC. 443. ALLOCATION OF FUNDS.

(a) PHASEOUT OF ALLOCATION BASED ON PREVIOUS ALLOCATIONS.—Subsection (a) of section 442(a) (42 U.S.C. 2752(a)) is amended to read as follows:

“(a) ALLOCATION BASED ON PREVIOUS ALLOCATION.—

“(1) BASE GUARANTEE.—From the amount appropriated pursuant to section 441(b) for each fiscal year after fiscal year 2006, the Secretary shall, subject to paragraph (2), first allocate to each eligible institution an amount equal to the following percentage of the amount such institution received under subsection (a) of this section for fiscal year 2006 (as such subsection was in effect with respect to allocations for such fiscal year):

“(A) 80 percent for fiscal years 2007 and 2008;
“(B) 60 percent for fiscal years 2009 and 2010;
“(C) 40 percent for fiscal years 2011 and 2012;
“(D) 20 percent for fiscal years 2013 and 2014; and
“(E) 0 percent for fiscal year 2015 and any succeeding fiscal year.
“(2) Ratable reductions for insufficient appropriations.—
“(A) Reduction of base guarantee.—
If the amount appropriated for any fiscal year is less than the amount required to be allocated to all institutions under this subsection, then the amount of the allocation to each such institution shall be ratably reduced.
“(B) Additional appropriations allocation.—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 this subsection).
“(3) Additional allocations for certain institutions.—
“(A) ALLOCATIONS PERMITTED.—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) ELIGIBLE INSTITUTIONS.—For purposes of subparagraph (A)—

“(i) an eligible institution that is a 4-year institution may receive an allocation under subparagraph (A) if more than 50 percent of the students who are degree-seeking Pell Grant recipients attending such institution graduate within 4 calendar years of the first day of enrollment; and

“(ii) an eligible institution that is a 2-year institution may receive an allocation under subparagraph (A) if more than 50 percent of the students who are degree-seeking Pell Grant recipients attending such institution graduate within 2 calendar years of the first day of enrollment.”.
(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to any amounts appropriated under section 441(b) of the Higher Education Act of 1965 (42 U.S.C. 2751(b)) for fiscal year 2007 or any succeeding fiscal year.

**SEC. 444. BOOKS AND SUPPLIES.**

Section 442(c)(4)(D) (42 U.S.C. 2752(c)(4)(D)) is amended by striking “$450” and inserting “$600”.

**SEC. 445. JOB LOCATION AND DEVELOPMENT.**

Section 446(a)(1) (42 U.S.C. 2756(a)(1)) is amended—

(1) by striking “10 percent or $50,000” and inserting “15 percent or $75,000”; and

(2) by inserting before the period at the end the following: “, except that not less than one-third of such amount shall be specifically allocated to locate and develop community service jobs”.

**SEC. 446. WORK COLLEGES.**

Section 448 (42 U.S.C. 2756b) is amended—

(1) by striking “work-learning” each place it appears and inserting “work-learning-service”;

(2) by striking “work-service” each place it appears and inserting “work-learning-service”;

(3) by amending subparagraph (C) of subsection (e)(1) to read as follows:
“(C) requires all resident 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 5 hours each week, or at least 80 hours during each period of enrollment, unless the student is engaged in an institutionally organized or approved study abroad or externship program; and”;

(4) by amending paragraph (2) of subsection (e) to read as follows:

“(2) the term ‘comprehensive student work-learning-service program’—

“(A) means a student work-learning-service program that 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 non-performance or failure in the work-learning-service program similar to the consequences for failure in the regular academic program.”; and

(5) in subsection (f), by striking “1999 and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “2005 and such sums as may be necessary for the 5 succeeding fiscal years”.

PART D—FEDERAL DIRECT LOAN PROGRAM

SEC. 451. REAUTHORIZATION OF THE DIRECT LOAN PROGRAM.

(a) Administrative Expenses.—Section 458(a)(1)

(20 U.S.C. 1087h(a)(1)) is amended by striking “$617,000,000” and all that follows through “fiscal year 2003” and inserting “$807,000,000 in fiscal year 2005, $820,000,000 in fiscal year 2006, $833,000,000 in fiscal year 2007, $847,000,000 in fiscal year 2008, $862,000,000 in fiscal year 2009, and $878,000,000 in fiscal year 2010”.

(b) Calculation Basis.—Subsection (b) of section 458 (20 U.S.C. 1087h(b)) is amended by striking “shall be calculated—” and all that follows through the end of
such subsection and inserting “shall be calculated on the basis of 0.10 percent of the original principal amount of outstanding loans on which insurance was issued under part B.”.

(c) Special Rules: Fee Cap.—Section 458(c)(1) (20 U.S.C. 1087h(c)(1)) is amended by striking subparagraphs (A) through (E) and inserting the following:

“(A) for fiscal year 2005, shall not exceed $207,000,000;

“(B) for fiscal year 2006, shall not exceed $220,000,000;

“(C) for fiscal year 2007, shall not exceed $233,000,000;

“(D) for fiscal year 2008, shall not exceed $247,000,000;

“(E) for fiscal year 2009, shall not exceed $262,000,000; and

“(F) for fiscal year 2010, shall not exceed $278,000,000.”.

(d) Consolidation Loan Eligibility.—Section 455(g) (20 U.S.C. 1087e(g)) is amended by adding at the end (after the sentence added by section 425(b)(2) of this Act) the following new sentence: “To be eligible for a consolidation loan under this part, a borrower must meet all the eligibility criteria set forth in section 428C(a)(3).”.
PART E—FEDERAL PERKINS LOAN PROGRAM

SEC. 461. REAUTHORIZATION OF PROGRAM.

(a) Program Authorization.—

(1) Authorization of Appropriations.—

Section 461(b) (20 U.S.C. 1087aa(b)) is amended—

(A) in paragraph (1)—

(i) by striking “1999” and inserting “2005”; and

(ii) by striking “4 succeeding” and inserting “5 succeeding”; and

(B) in paragraph (2), by striking “2003” each place it appears and inserting “2011”.

(2) Federal capital contribution recovery.—Section 466 (20 U.S.C. 1087ff) is amended—

(A) by striking “2004” each place it appears in subsections (a), (b), and (c) and inserting “2011”;

(B) in subsection (a), by striking “2003” each place it appears and inserting “2010”; and

(C) in subsection (b), by striking “2012” and inserting “2019”.

(b) Phaseout of Allocation Based on Previous Allocations.—

(1) Amendment.—Subsection (a) of section 462 (20 U.S.C. 1087bb(a)) is amended to read as follows:
“(a) Allocation Based on Previous Allocation.—

“(1) Base Guarantee.—From the amount appropriated pursuant to section 461(b) for each fiscal year after fiscal year 2006, the Secretary shall, subject to paragraphs (2) and (3), first allocate to each eligible institution an amount equal to—

“(A) 100 percent of the amount such institution received under subsection (a) of this section for fiscal year 2006 (as such subsection was 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) Phase Out.—For each of the fiscal years after fiscal year 2006, paragraph (1) shall be applied by substituting for ‘100 percent’:

“(A) ‘80 percent’ for fiscal years 2007 and 2008;

“(B) ‘60 percent’ for fiscal years 2009 and 2010;
“(C) ‘40 percent’ for fiscal years 2011 and 2012;

“(D) ‘20 percent’ for fiscal years 2013 and 2014; and

“(E) ‘0 percent’ for fiscal year 2015 and any succeeding fiscal year.

“(3) Ratable reductions for insufficient appropriations.—

“(A) Reduction of base guarantee.—
If the amount appropriated for any fiscal year is less than the amount required to be allocated to all institutions under this subsection, then the amount of the allocation to each such institution shall be ratably reduced.

“(B) Additional appropriations allocation.—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 this subsection).”.

(2) Effective date.—The amendment made by paragraph (1) shall apply with respect to any amounts appropriated under section 461(b) of the Higher Education Act of 1965 (20 U.S.C.
1087bb(b)) for fiscal year 2007 or any succeeding fiscal year.

(c) Books and Supplies.—Section 462(c)(4)(D) (20 U.S.C. 1087bb(c)(4)(D)) is amended by striking “$450” and inserting “$600”.

SEC. 462. LOAN TERMS AND CONDITIONS.

(a) Loan Limits.—Section 464(a) (20 U.S.C. 1087dd(a))—

(1) in paragraph (2)(A)—

    (A) by striking “$4,000” in clause (i) and inserting “$5,500”; and

    (B) by striking “$6,000” in clause (ii) and inserting “$8,000”; and

(2) in paragraph (2)(B)—

    (A) by striking “$40,000” in clause (i) and inserting “$60,000”; 

    (B) by striking “$20,000” in clause (ii) and inserting “$27,500”; and

    (C) by striking “$8,000” in clause (iii) and inserting “$11,000”.

(b) Forbearance.—Section 464(e) (20 U.S.C. 1087dd(e)) is amended by striking “, upon written re-
quest,”.

(c) Special Repayment Rule.—Paragraph (2) of section 464(f) is amended to read as follows:
“(2) No compromise repayment of a defaulted loan as authorized by paragraph (1) may be made unless agreed to by the Secretary.”.

(d) REHABILITATION.—Section 464(h)(1)(A) (20 U.S.C. 1087dd(h)(1)(A)) is amended by striking “12 on-time” and inserting “9 on-time”.

SEC. 463. LOAN CANCELLATION.


(1) by inserting “(D),” after “subparagraph (A), (C),” in clause (i);

(2) by inserting “or” after the semicolon at the end of clause (ii);

(3) by striking clause (iii); and

(4) by redesignating clause (iv) as clause (iii).

SEC. 464. TECHNICAL AMENDMENTS.

Part E is further amended as follows:

(1) Section 462(g)(1)(E)(i)(I) (20 U.S.C. 1087bb(g)(1)(E)(i)(I)) is amended by inserting “monthly” after “consecutive”.

(2) Section 464(c)(1)(D) (20 U.S.C. 1087dd(c)(1)(D)) is amended by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively.
(3) Section 465(a)(2) (20 U.S.C. 1087ee(a)(2)) is amended—

(A) in subparagraph (A), by striking “section 111(c)” and inserting “section 1113(a)(5)”;

(B) in subparagraph (C), by striking “With Disabilities” and inserting “with Disabilities”.

(4) Section 467(b) (20 U.S.C. 1087gg(b)) is amended by striking“(5)(A), (5)(B)(i), or (6)” and inserting“(4)(A), (4)(B), or (5)”.

(5) Section 469(c) (20 U.S.C. 1087ii(c)) is amended—

(A) by striking “sections 602(a)(1) and 672(1)” and inserting “sections 602(3) and 632(5)”;

(B) by striking “qualified professional provider of early intervention services” and inserting “early intervention services”; and

(C) by striking “section 672(2)” and inserting “section 632(4)”.

PART F—NEED ANALYSIS

SEC. 471. SIMPLIFIED NEEDS TEST IMPROVEMENTS.

Section 479 (20 U.S.C. 1087ss) is amended—
(1) by striking clause (i) of subsection (b)(1)(A) and inserting the following:

“(i) the student’s parents file a form described in paragraph (3) or certify that they are not required to file an income tax return, and the student files such a form or certifies that the student is not required to file an income tax return, or the student’s parents receive benefits under a means-tested Federal benefit program;”.

(2) by striking clause (i) of subsection (b)(1)(B) and inserting the following:

“(i) the student (and the student’s spouse, if any) files a form described in paragraph (3) or certifies that the student (and the student’s spouse, if any) is not required to file an income tax return, or the student (and the student’s spouse, if any) receives benefits under a means-tested Federal benefit program;”;

(3) by striking subparagraph (A) of subsection (c)(1) and inserting the following:

“(A) the student’s parents file a form described in subsection (b)(3) or certify that they are not required to file an income tax return,
and the student files such a form or certifies that the student is not required to file an income tax return, or the student’s parents receive benefits under a means-tested Federal benefit program;”;

(4) by striking subparagraph (A) of subsection (c)(2) and inserting the following:

“(A) the student (and the student’s spouse, if any) files a form described in subsection (b)(3) or certifies that the student (and the student’s spouse, if any) is not required to file an income tax return, or the student (and the student’s spouse, if any) receives benefits under a means-tested Federal benefit program;”; and

(5) by adding at the end the following new subsection:

“(d) Definition of Means-Tested Federal Benefit Program.—For purposes of this section, 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 programs’ benefits, or the amount of such benefits, or both, are determined on the basis of income or resources of the individual or family seeking the benefit, and
may include such programs as the supplemental security income program under title XVI of the Social Security Act, the food stamp program under the Food Stamp Act of 1977, and the free and reduced price school lunch program under the Richard B. Russell National School Lunch Act, and other programs identified by the Secretary.”.

SEC. 472. ADDITIONAL NEED ANALYSIS AMENDMENTS.

(a) INCOME PROTECTION ALLOWANCE FOR DEPENDENT STUDENTS.—

(1) Amendment.—Section 475(g)(2)(D) (20 U.S.C. 1087oo(g)(2)(D)) is amended by striking “$2,200” and inserting “$3,000”.

(2) Effective Date.—The amendment made by paragraph (1) shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2005.

(b) EMPLOYMENT EXPENSE ALLOWANCE.—Section 478(h) (20 U.S.C. 1087rr(h)) is amended—

(1) by striking “476(b)(4)(B),”; and

(2) by striking “meals away from home, apparel and upkeep, transportation, and housekeeping services” and inserting “food away from home, apparel, transportation, and household furnishings and operations”.
(c) Discretion of Student Financial Aid Administrators.—Section 479A(a) (20 U.S.C. 1087tt(a)) is amended—

(1) by striking “(a) In General.—” and inserting the following:

“(a) Authority to Make Adjustments.—

“(1) Adjustments for Special Circumstances.—”;

(2) by inserting before “Special circumstances may” the following:

“(2) Special circumstances defined.—”;

(3) by inserting “a student’s status as a ward of the court at any time prior to attaining 18 years of age,” after “487,”;

(4) by inserting before “Adequate documentation” the following:

“(3) Documentation and use of supplementary information.—”; and

(5) by inserting before “No student” the following:

“(4) Fees for supplementary information prohibited.—”.

(d) Treating Active Duty Members of the Armed Forces as Independent Students.—Section 480(d)(3) (20 U.S.C. 1087vv(d)(3)) is amended by insert-
(e) **Excludable Income.**—Section 480(e) (20 U.S.C. 1087vv(e)) is amended—

(1) by striking “and” at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4); and

(3) by adding at the end the following new paragraph:

“(5) any part of any distribution from a qualified tuition program established under section 529 of the Internal Revenue Code of 1986 that is not includable in gross income under such section 529.”.

(f) **Treatment of Savings Plans.**—

(1) **Amendment.**—Section 480(f) (20 U.S.C. 1087vv(f)) is amended—

(A) in paragraph (1), by inserting “qualified tuition programs established under section 529 of the Internal Revenue Code of 1986 (26 U.S.C. 529), except as provided in subparagraph (2),” after “tax shelters,”; 

(B) by redesignating paragraph (2) as paragraph (3); and
(C) by inserting after paragraph (1) the following new paragraph:

“(2) A qualified tuition program shall not be considered an asset of a dependent student under section 475 of this part. The value of a qualified tuition program for purposes of determining the assets of parents or independent students shall be—

“(A) the refund value of any tuition credits or certificates purchased under section 529 of the Internal Revenue Code of 1986 (26 U.S.C. 529) on behalf of a beneficiary; or

“(B) the current balance of any account which is established under such section for the purpose of meeting the qualified higher education expenses of the designated beneficiary of the account.”.

(2) CONFORMING AMENDMENT.—Section 480(j) (20 U.S.C. 1087vv(j)) is amended—

(A) by striking “; Tuition Prepayment Plans” in the heading of such subsection;

(B) by striking paragraph (2);

(C) in paragraph (3), by inserting “, or a distribution that is not includible in gross income under section 529 of such Code,” after “1986”; and
PART G—GENERAL PROVISIONS RELATING TO STUDENT FINANCIAL ASSISTANCE

SEC. 481. DEFINITION OF ACADEMIC YEAR.

Paragraph (2) of section 481(a) (20 U.S.C. 1088(a)) is amended to read as follows:

“(2) For the purpose of any program under this title, the term ‘academic year’ shall—

“(A) require a minimum of 30 weeks of instructional time for a course of study that measures its program length in credit hours; or

“(B) require a minimum of 26 weeks of instructional time for a course of study that measures its program length in clock hours; and

“(C) 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.”.
Sec. 482. Distance Education.

(a) Distance Education: Eligible Program.—

Section 481(b) (20 U.S.C. 1088(b)) is amended by adding
at the end the following new paragraph:

“(3) Distance education.—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 this paragraph) 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).”.

(b) Correspondence Courses.—Section 484(l)(1)

(20 U.S.C. 1091(l)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking “for a program of study of

1 year or longer”; and
(B) by striking “unless the total” and all that follows through “courses at the institution”; and

(2) by amending subparagraph (B) to read as follows:

“(B) Exception.—Subparagraph (A) does not apply to an institution or school described in section 3(3)(C) of the Carl D. Perkins Vocational and Technical Education Act of 1998.”.

SEC. 483. EXPANDING INFORMATION DISSEMINATION REGARDING ELIGIBILITY FOR PELL GRANTS.

Section 483(a) (20 U.S.C. 1090(a)) is amended by adding at the end the following new paragraph:

“(8) Expanding information dissemination regarding eligibility for Pell Grants.—The Secretary shall make special efforts, in conjunction with State efforts, to notify students and their parents who qualify for a free lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), the Food Stamps program, or such other programs as the Secretary shall determine, of their potential eligibility for a maximum Pell Grant, and shall disseminate such informational materials as the Secretary deems appropriate.”.
SEC. 484. STUDENT ELIGIBILITY.

(a) SUSPENSION OF ELIGIBILITY FOR DRUG OFFENSES.—Section 484(r)(1) (20 U.S.C. 1091(r)(1)) is amended by striking everything preceding the table and inserting the following:

“(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:”.

(b) FREELY ASSOCIATED STATES.—Section 484(j) (20 U.S.C. 1091(j)) is amended by inserting “and shall be eligible only for assistance under subpart 1 of part A thereafter,” after “part C,”.

(c) VERIFICATION OF INCOME DATE.—Paragraph (1) of section 484(q) (20 U.S.C. 1091(q)) is amended to read as follows:

“(1) CONFIRMATION WITH IRS.—The Secretary of Education, in cooperation with the Secretary of the Treasury, is authorized to confirm with the Internal Revenue Service the information specified in
section 6103(l)(13) of the Internal Revenue Code of
1986 reported by applicants (including parents)
under this title on their Federal income tax returns
for the purpose of verifying the information reported
by applicants on student financial aid applications.”.

(d) PELL GRANT ELIGIBILITY PROVISION.—Section
484 is amended by adding at the end the following new
subsection:

“(s) PELL GRANT ELIGIBILITY PROVISION.—A stu-
dent who does not have a certificate of graduation from
a school providing secondary education may be eligible for
assistance under subpart 1 of Part A of this title for no
more than two academic years, if such student—

“(1) meets all eligibility requirements for such
assistance (other than not being enrolled in an ele-
mentary or secondary school) and is an academically
gifted and talented student, as defined in section
9101 of the Elementary and Secondary Education
Act;

“(2) is in the junior or senior year of secondary
school, and has not received any assistance under
this title;

“(3) is selected for participation and is enrolled
full-time and resides on campus in a residential col-
lege gifted student program for early enrollment, leading to fully transferable college academic credit;

“(4) does not and will not participate in any secondary school course work during or after such program; and

“(5) has entered into an agreement that, if the student fails to complete the entirety of the academic program for which assistance under subpart 1 of Part A of this title was received, or participates in secondary school course work after participating in such program, the student will repay all funds received under such subpart pursuant to this subsection to the Federal Government in accordance with regulations promulgated by the Secretary.”.

(e) TECHNICAL AMENDMENT.—Section 484(b)(5) is amended by inserting “or parent (on behalf of a student)” after “student”.

SEC. 485. INSTITUTIONAL REFUNDS.

Section 484B (20 U.S.C. 1091b) is amended—

(1) in subsection (a)(1), by inserting “subpart 4 of part A or” after “received under”; 

(2) in subsection (a)(2), by striking “takes a leave” and by inserting “takes one or more leaves”;
(3) in subsection (a)(3)(B)(ii), by inserting “(as determined in accordance with subsection (d))” after “student has completed”;

(4) in subsection (a)(4), by amending subparagraph (A) to read as follows:

“(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 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.”

(5) in subsection (b)(1), by inserting “no later than 45 days from the determination of withdrawal” after “return”;

(6) in subsection (b)(2), by amending subparagraph (C) to read as follows:
“(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.”; and

(7) in subsection (d), by striking “(a)(3)(B)(i)” and inserting “(a)(3)(B)”.

SEC. 486. INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS.

(a) INFORMATION DISSEMINATION ACTIVITIES.—

Section 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended—

(1) by amending the second sentence to read as follows: “The information required by this section shall be produced and be made publicly available to
an enrolled student and to any prospective student
in a uniform and comprehensible manner, through
appropriate publications, mailings, electronic media,
and the reports required by the institution’s accred-
iting agency under section 496(c)(9).”;

(2) by amending subparagraph (G) to read as
follows:

“(G) the academic programs of the institution,
including—

“(i) the current degree programs and other
educational and training programs;

“(ii) the institution’s learning objectives
for those programs;

“(iii) the instructional, laboratory, and
other physical plant facilities which relate to the
academic programs; and

“(iv) the faculty and other instructional
personnel;”;

(3) by striking subparagraph (L) and inserting
the following:

“(L) a summary of student outcomes for full-
time undergraduate students, including—

“(i) the completion or graduation rates of
certificate- or degree-seeking undergraduate
students entering such institutions;
“(ii) when readily available, information showing the number of undergraduate students that transfer out of the institution; and

“(iii) any other student outcome data, qualitative or quantitative, including data regarding distance education deemed by the institution to be appropriate to its stated educational mission and goals, and, when applicable, licensing and placement rates for professional and vocational programs;”;

(4) by inserting before the semicolon at the end of subparagraph (J) the following: “, and the process for students to register complaints with the accrediting agencies or associations”;

(5) in subparagraph (M), by striking “guaranteed student loans under part B of this title or direct student loans under part E of this title, or both,” and inserting “student loans under part B, D, or E of this title”;

(6) by striking “and” at the end of subparagraph (N);

(7) by striking the period at the end of subparagraph (O) and inserting a semicolon; and

(8) by adding at the end the following new subparagraphs:
“(P) the penalties contained in subsection 484(r) regarding suspension of eligibility for drug related offenses; and

“(Q) the policies of the institution for accepting transfer of credit, explained in a manner that clearly states the basis for determining the acceptability and applicability of transfer of credits.”.

(b) ADDITIONAL AMENDMENTS.—Section 485(a) is further amended by striking paragraph (6) and inserting the following:

“(6) Each institution may provide supplemental information to enrolled and prospective students showing the completion or graduation rate for students described in paragraph (4). For the purpose of this paragraph, the definitions provided in the Integrated Postsecondary Education Data System shall apply.

“(7) Each eligible institution participating in any program under this title may publicly report to currently enrolled and prospective students the voluntary information collected by the National Survey of Student Engagement (NSSE), the Community College Survey of Student Engagement (CCSSE), or other instruments that provide evidence of student participation in educationally purposeful activities.
The information shall be produced and made available in a uniform and comprehensible manner, through appropriate publications, mailings, and electronic media, and may be included in reports required by the institution’s accrediting agency.”

(c) EXIT COUNSELING.—Section 485(b) (20 U.S.C. 1092(b)) is amended by adding at the end the following new paragraph:

“(3) Each eligible institution shall, during the exit interview required by this subsection, provide to a borrower of a loan made under part B, D, or E a clear and conspicuous notice describing the effect of using a consolidation loan to discharge the borrower’s student loans, including—

“(A) the effects of consolidation on total interest to be paid, fees to be paid, and length of repayment;

“(B) the effects of consolidation on a borrower’s underlying loan benefits, including loan forgiveness, cancellation, and deferment;

“(C) the ability for the borrower to prepay the loan, pay on a shorter schedule, and to change repayment plans, and that borrower benefit programs may vary among different loan holders;
“(D) the tax benefits for which the borrower may be eligible; and

“(E) the consequences of default.”.

(d) CAMPUS CRIME INFORMATION.—Section 485(f)(1) (20 U.S.C. 1092(f)(1)) is amended by inserting “, other than a foreign institution of higher education,” after “under this title”.

(e) TRANSFER OF CREDIT POLICIES.—Section 485 is further amended by adding at the end the following new subsection:

“(h) TRANSFER OF CREDIT POLICIES.—

“(1) DISCLOSURE.—Each eligible institution participating in any program under this title shall publicly disclose in a readable and comprehensible manner its transfer of credit policies which shall include:

“(A) A statement of the institution’s current transfer of credit policies that includes at least—

“(i) a statement that transfer of credit shall not be denied solely on the basis of the agency or association that accredited such other eligible institution, if that agency or association is recognized by the Secretary pursuant to section 496 to be a reli-
able authority as to the quality of the education or training offered; and

“(ii) a statement that transfer of credit shall be decided on the basis of whether the courses or program are determined by the institution to be acceptable for credit in accordance with objective criteria that the institution publicly discloses and the student completed such courses or programs at the institution’s required level of proficiency.

“(B) Statistics concerning the annual, as well as a 3-year rolling average, rate of the percentage of credits accepted in transfer and fully counted toward the degree or certificate completion requirements of undergraduate students. Such data shall be disaggregated to report on the following categories of institutions from which credits were accepted in transfer:

“(i) nationally accredited;

“(ii) regionally accredited in the same State;

“(iii) regionally accredited in the same region; and
“(iv) regionally accredited in a different region.

“(2) Rule of Construction.—Nothing in this subsection shall be construed to—

“(A) 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;

“(B) limit the application of the General Education Provisions Act; or

“(C) create any legally enforceable right.”.

SEC. 487. COLLEGE ACCESS INITIATIVE.

Part G is further amended by inserting after section 485C (20 U.S.C. 1092e) the following new section:

“SEC. 485D. COLLEGE ACCESS INITIATIVE.

“(a) State-by-State Information.—The Secretary shall direct each guaranty agency with which the Secretary has an agreement under section 428(e) to provide to the Secretary the information necessary for the development of web links and access for students and families to a comprehensive listing of the postsecondary education opportunities programs, publications, Internet Web
sites, and other services available in the States for which
such agency serves as the designated guarantor.

“(b) GUARANTY AGENCY ACTIVITIES.—

“(1) PLAN AND ACTIVITY REQUIRED.—Each
guaranty agency with which the Secretary has an
agreement under section 428(c) shall develop a plan
and undertake the activity necessary to gather the
information required under subsection (a) and to
make such information available to the public and to
the Secretary in a form and manner as prescribed
by the Secretary.

“(2) ACTIVITIES.—Each guaranty agency shall
undertake such activities as are necessary to pro-
mote access to postsecondary education for students
through providing information on college planning,
career preparation, and paying for college. The guar-
anty agency shall publicize such information and co-
ordinate such activities with other entities that ei-
ther provide or distribute such information in the
States for which such guaranty agency serves as the
designated guarantor.

“(3) FUNDING.—The activities required by this
section may be funded from the guaranty agency’s
operating account established pursuant to section
422B and to the extent funds remain, from earnings
on the restricted account established pursuant to section 422(h)(4).

“(c) Access to Information.—

“(1) Secretary’s responsibility.—The Secretary shall ensure the availability of the information provided by the guaranty agencies in accordance with this section to students, parents and other interested individuals, through web links or other methods prescribed by the Secretary.

“(2) Guaranty agency responsibility.—The guaranty agencies shall ensure that the information required by this section is available without charge in printed format for students and parents requesting such information.

“(3) Publicity.—Within 270 days after the date of enactment of the College Access and Opportunity Act of 2004, the Secretary and guaranty agencies shall publicize the availability of the information required by this section, with special emphasis on ensuring that populations that are traditionally underrepresented in postsecondary education are made aware of the availability of such information.”.
SEC. 488. DISTANCE EDUCATION DEMONSTRATION PROGRAM.

(a) ELIGIBLE APPLICANTS.—Section 486(b)(3) (20 U.S.C. 1093(b)(3)) is amended—

(1) in subparagraph (B), by striking “section 102(a)(1)(C)” and inserting “section 102”; and

(2) in subparagraph (C), by striking “subsection (a) of section 102, other than the requirement of paragraph (3)(A) or (3)(B) of such subsection,” and inserting “section 101, other than the requirements of subparagraph (A) or (B) of subsection (b)(4) of such section”.

(b) SELECTION.—Section 486(d)(1) (20 U.S.C. 1093(d)(1)) is amended—

(1) by striking “the third year” and inserting “subsequent years”;

(2) by striking “35 institutions” and inserting “100 institutions”; and

(3) by adding at the end the following new sentence: “Not more than 5 of such institutions, systems, or consortia may be accredited, degree-granting correspondence schools.”.

SEC. 489. COLLEGE AFFORDABILITY DEMONSTRATION PROGRAM.

Part G of title IV is amended by inserting after section 486 (20 U.S.C. 1093) the following new section:
SEC. 486A. COLLEGE AFFORDABILITY DEMONSTRATION PROGRAM.

“(a) PURPOSE.—It is the purpose of this section—

“(1) to provide, through a college affordability demonstration program, for increased innovation in the delivery of higher education and student financial aid in a manner resulting in reduced costs for students as well as the institution by accelerating degree or program completion, increasing availability of, and access to, distance components of education delivery, and other alternative methodologies; and

“(2) to help determine—

“(A) the most effective means of delivering student financial aid as well as quality education;

“(B) the specific statutory and regulatory requirements that should be altered to provide for more efficient and effective delivery of student financial aid, as well as access to high quality distance education programs, resulting in a student more efficiently completing post-secondary education; and

“(C) the most effective methods of obtaining and managing institutional resources.

“(b) DEMONSTRATION PROGRAM AUTHORIZED.—
“(1) IN GENERAL.—In accordance with the purposes described in subsection (a) and the provisions of subsection (d), the Secretary is authorized to select not more than 100 institutions of higher education or systems of such institutions for voluntary participation in the College Affordability Demonstration Program in order to enable participating institutions to carry out such purposes by providing programs of postsecondary education, and making available student financial assistance under this title to students enrolled in those programs, in a manner that would not otherwise meet the requirements of this title.

“(2) WAIVERS.—The Secretary is authorized to waive for any institutions of higher education, or any system or consortia of institutions of higher education, selected for participation in the College Affordability Demonstration Program, any requirements of this Act or the regulations thereunder as deemed necessary by the Secretary to meet the purpose described in subsection (a)(1).

“(3) ELIGIBLE APPLICANTS.—

“(A) ELIGIBLE INSTITUTIONS.—Except as provided in subparagraph (B), only an institution of higher education that is eligible to par-
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participate in programs under this title shall be eli-

gible to participate in the demonstration pro-

gram authorized under this section.

“(B) PROHIBITION.—An institution of
higher education described in section 102 shall
not be eligible to participate in the demonstra-
tion program authorized under this section.

“(c) APPLICATION.—

“(1) IN GENERAL.—Each institution or system
of institutions desiring to participate in the dem-
onstration 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 OF APPLICATION.—Each ap-
plication for the college affordability demonstration
program shall include at least the following:

“(A) a description of the institution or sys-
tem of institutions and what quality assurance
mechanisms are in place to insure the integrity
of the Federal financial aid programs;

“(B) a description of each regulatory or
statutory requirement for which waivers are
sought, with a reason for each waiver;

“(C) a description of the programs being
offered and the affected students;
“(D) a description of the expected outcomes of the program changes proposed, including the estimated reductions in costs both for the institution and for students;

“(E) a description of any collaborative arrangements with other institutions or organizations to reduce costs;

“(F) a description of any expected economic impact of participation in the program within the community in which the institution is located;

“(G) a description of how the institution will reduce the costs of instructional materials, including textbooks;

“(H) an assurance that the participating institution or system of institutions will offer full cooperation with the ongoing evaluations of the demonstration program provided for in this section; and

“(I) any other information or assurances the Secretary may require.

“(d) SELECTION.—In selecting institutions to participate in the demonstration program under this section, the Secretary shall take into account—
“(1) the number and quality of applications received, determined on the basis of the contents required by subsection (c)(2);

“(2) the Department’s capacity to oversee and monitor each institution’s participation;

“(3) an institution’s—

“(A) financial responsibility;

“(B) administrative capability;

“(C) program or programs being offered via distance education;

“(D) student completion rates; and

“(E) student loan default rates; and

“(4) 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 and systems of institutions 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 or system of institutions and a description of the distance education courses to be offered.

“(f) EVALUATIONS AND REPORTS.—
“(1) EVALUATION.—The Secretary shall evaluate the demonstration program authorized under this section on a biennial basis. Such evaluations specifically shall review—

“(A) 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;

“(B) issues related to student financial assistance for distance education;

“(C) effective technologies and alternative methodologies for delivering student financial assistance;

“(D) the extent of the cost savings to the institution, the student, and the Federal Government by virtue of the waivers provided, and an estimate as to future cost savings should the demonstration program continue;

“(E) the extent to which students saved money by virtue of completing their postsecondary education sooner;
“(F) the extent to which the institution reduced its tuition and fees and its costs by virtue of participation in the demonstration program;

“(G) the extent to which any collaborative arrangements with other institutions or organizations have reduced the participating institution’s costs; and

“(H) 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 nontraditional methods of expanding access to education.

“(3) REPORTS.—The Secretary shall provide a report to the authorizing committees on a biennial basis regarding—

“(A) the demonstration program authorized under this section;

“(B) the results of the evaluations conducted under paragraph (1);
“(C) the cost savings to the Federal Government by the demonstration program authorized by this section; and

“(D) recommendations for changes to increase the efficiency and effective delivery of financial aid.

“(g) OVERSIGHT.—In conducting the demonstration program authorized under this section, the Secretary shall, on a continuing basis—

“(1) ensure compliance of institutions or systems of institutions with the requirements of this title (other than the sections and regulations that are waived under subsection (b)(2));

“(2) provide technical assistance to institutions in their application to and participation in the demonstration program;

“(3) monitor fluctuations in the student population enrolled in the participating institutions or systems of institutions;

“(4) monitor changes in financial assistance provided at the institution; and

“(5) consult with appropriate accrediting agencies or associations and appropriate State regulatory authorities.
“(h) Termination of Authority.—The authority of the Secretary under this section shall cease to be effective on October 1, 2010.”.

SEC. 490. PROGRAM PARTICIPATION AGREEMENTS.

(a) Refund Policies.—Section 487(a) (20 U.S.C. 1094(a)) is amended—

(1) in paragraph (22), by striking “refund policy” and inserting “policy on the return of title IV funds”; and

(2) in paragraph (23)—

(A) by moving subparagraph (C) 2 em spaces to the left; and

(B) by adding after such subparagraph the following new subparagraph:

“(D) An institution shall be considered in compliance with the requirements of subparagraph (A) for any 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, provided such information is in an electronic message devoted to voter registration.”.

(b) Audit Requirements.—Section 487(c)(1)(A)(i) (20 U.S.C. 1094(c)(1)(A)(i)) is amended by inserting be-
fore the semicolon at the end the following: ‘‘, 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;’’.

(c) REPORTS ON DISCIPLINARY PROCEEDINGS.—

(1) AMENDMENT.—Section 487(a) (20 U.S.C. 1094(a)) is amended by adding at the end the following new paragraph:

‘‘(24) The institution will disclose to the alleged victim of any crime of violence (as that term is defined in section 16 of title 18), or a nonforcible sex offense, the final 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, the next of kin of such victim shall be treated as the alleged victim for purposes of this paragraph.’’.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to any disciplinary proceeding conducted by such institution
on or after one year after the date of enactment of this Act.

SEC. 491. ADDITIONAL TECHNICAL AND CONFORMING AMENDMENTS.

Part G is further amended as follows:

(1) Section 483(d) (20 U.S.C. 1090(d)) is amended by striking “that is authorized under section 685(d)(2)(C)” and inserting “, or another appropriate provider of technical assistance and information on postsecondary educational services, that is supported under section 685”.

(2) Section 484 (20 U.S.C. 1091) is amended—

(A) in subsection (a)(4), by striking “certification,” and inserting “certification,”;

(B) in subsection (b)(2)—

(i) in the matter preceding subparagraph (A), by striking “section 428A” and inserting “section 428H”;

(ii) in subparagraph (A), by inserting “and” after the semicolon at the end thereof;

(iii) in subparagraph (B), by striking “; and” and inserting a period; and

(iv) by striking subparagraph (C); and
(C) in subsection (l)(1)(B)(i), by striking “section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act” and inserting “section 3(3)(C) of the Carl D. Perkins Vocational and Technical Education Act of 1998”.

(3) Section 485B(a) (20 U.S.C. 1092b(a)) is amended—

(A) by redesignating paragraphs (6) through (10) as paragraphs (7) through (11), respectively;

(B) by redesignating the paragraph (5) (as added by section 2008 of Public Law 101–239) as paragraph (6); and

(C) in paragraph (5) (as added by section 204(3) of the National Community Service Act of 1990 (Public Law 101–610))—

(i) by striking “(22 U.S.C. 2501 et seq.),” and inserting “(22 U.S.C. 2501 et seq.),”; and

(ii) by striking the period at the end thereof and inserting a semicolon.

(4) Section 491(e) (20 U.S.C. 1098(e)) is amended by adding at the end the following new paragraph:
“(3) The appointment of members under subpara-
graphs (A) and (B) of paragraph (1) shall be effective
upon publication of the appointment in the Congressional
Record.”.

(5) Section 491(k) (20 U.S.C. 1098(k)) is
amended by striking “2004” and inserting “2011”.

(6) Section 493A (20 U.S.C. 1098c) is re-
pealed.

(7) Section 498 (20 U.S.C. 1099c) is amend-
ed—

(A) in subsection (e)(2), by striking “for
profit,” and inserting “for-profit,”; and

(B) in subsection (d)(1)(B), by inserting
“and” after the semicolon at the end thereof.

PART H—PROGRAM INTEGRITY

SEC. 495. ACCREDITATION.

(a) Standards for Accreditation.—Section
496(a) (20 U.S.C. 1099b(a)) is amended—

(1) in paragraph (3)—

(A) by inserting “or” after the semicolon
at the end of subparagraph (A);

(B) by striking subparagraph (B); and

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

(2) in paragraph (4)—
(A) by inserting “(A)” after “(4)”;

(B) by inserting “and” after the semicolon at the end thereof; and

(C) by adding at the end the following new subparagraph:

“(B) if such agency or association already has or seeks to include within its scope of recognition the evaluation of the quality of institutions or programs offering distance education, such agency or association shall, in addition to meeting the other requirements of this subpart—

“(i) demonstrate to the Secretary that, through application of its standards, procedures, and policies, particularly those required under paragraph (5) of this subsection, the agency or association determines that the quality of instruction and student support services for distance education is comparable to that provided by the institution in its classrooms and on its campuses (or if distance education is the only mode of delivery used by the institution, comparable to the quality of instruction and student support services provided in campus settings); and
“(ii) evaluate how an institution offering distance education ensures the integrity of student participation in its distance education programs;”.

(D) by inserting after “standards” the following:“(including standards to assess the quality of distance education that are comparable to the standards used for face-to-face classroom instruction)”;

(3) in paragraph (5)—

(A) by amending subparagraph (A) to read as follows:

“(A) success with respect to student achievement in relation to the institution’s mission, including, as appropriate, consideration of student academic achievement as determined by the institution (in accordance with standards of the accrediting agency or association) related to each institution’s articulation of desired learning outcomes, retention, course and program completion, State licensing examinations, and job placement rates; and other student performance data selected by the institution, particularly data used by the institution to evaluate or strengthen its educational programs, and in-
cluding thresholds for course completion and
job placement rates if the institution offers cer-
tificate-granting vocation or technical pro-
grams;”;

(B) in subparagraph (E), by striking “fis-
cal and administrative capacity” and inserting
“fiscal, administrative, and governance capac-
ity”; and

(C) by amending subparagraph (I) to read
as follows:

“(I) record of student complaints received
by the agency or association, including those re-
sulting from the process described in section
485(a)(1)(J); and”;

(4) by striking “and” at the end of paragraph
(7); and

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

“(8) such agency or association shall make
available to the public, and submit to the Secretary,
for use in consumer information programs, a sum-
mary of agency or association actions, including—

“(A) the award of accreditation or re-
accreditation of an institution and any findings
made in connection with the accreditation or re-accreditation;

“(B) final denial, withdrawal, suspension, or termination of accreditation, or placement on probation of an institution;

“(C) any other adverse action taken with respect to an institution;

“(D) a list of the individuals who comprise the inspection and review teams for each agency or association, including each individual’s name, agency affiliation, and relevant professional experience;

“(E) a description of the agency’s or association’s process for selecting, training, and evaluating such individuals; and

“(F) the agency’s or association’s code of conduct for its commissioners and such individuals; and

“(9) such agency or association shall—

“(A) review, during its onsite comprehensive review, the transfer of credit policies of programs and institutions under its accreditation; and

“(B) not adopt or apply standards, policies, or practices that restrict or deny the trans-
fer of credits earned by a student completing
courses or programs at other eligible institu-
tions of higher education solely on the basis of
the agency or association that accredited such
other eligible institution if that agency or asso-
ciation—

“(i) is recognized by the Secretary
pursuant to this section to be a reliable au-
thority as to the quality of the education
or training offered; and

“(ii) is currently listed by the Sec-
retary pursuant to section 101(c).”.

(b) OPERATING PROCEDURES.—Section 496(c) (20
U.S.C. 1099b(c)) is amended—

(1) by inserting “(including those regarding dis-
tance education), and have several years of related
experience” before the semicolon at the end of para-
graph (1);

(2) by striking “and” at the end of paragraph
(5);

(3) by striking the period at the end of para-
graph (6) and inserting a semicolon; and

(4) by inserting after paragraph (6) the fol-
lowing new paragraphs:
“(7) ensures that its onsite comprehensive reviews for accreditation or reaccreditation include evaluation of the substance of the information required in subparagraphs (G) and (H) of section 485(a)(1);

“(8) confirms as a part of its review for accreditation or reaccreditation that the institution has transfer policies that are publicly disclosed and consistently applied;

“(9) develops as required in subsection (a)(8), a summary available to the public of the agency’s action and the significant findings related to that action;

“(10) includes, in its evaluation for accreditation or reaccreditation, review of the transfer of credit policies of the program or institution to assure that transfer policies do not deny transfer of credit based solely on the accreditation of the sending program or institution, except that nothing in this review shall restrict the right of the receiving program or institution to determine, on any other basis or on a combination of that basis together with other bases, the credits the receiving program or institution will accept for transfer; and
“(11) monitors the growth of distance education programs, evaluating, as appropriate, the development and management of such programs at institutions that are experiencing significant growth in distance education.”.

(c) LIMITATION, SUSPENSION, AND TERMINATION OF RECOGNITION.—Section 496(l) is amended by adding at the end the following new paragraph:

“(3) The Secretary shall provide an annual report to Congress on the status of any agency or association for which the Secretary has limited, suspended or terminated recognition under this subsection.”.

(d) COLLEGE CONSUMER PROFILE.—Section 496 is further amended—

(1) by redesignating subsection (o) as subsection (p); and

(2) by inserting after subsection (n):

“(o) COLLEGE CONSUMER PROFILE.—

“(1) INFORMATION DISSEMINATION.—No accrediting agency or association shall be recognized by the Secretary as a reliable authority as to the quality of the education or training offered by an institution seeking to participate in the programs authorized under this title, unless the agency ensures each institution subject to its jurisdiction makes
publicly available in a uniform and comprehensible manner, a college consumer profile including, at minimum, information on the institution’s—

“(A) mission;

“(B) student demographics;

“(C) accreditation;

“(D) faculty/student ratios;

“(E) faculty qualifications, including the number of faculty with terminal degrees;

“(F) tuition, fees, and other costs of attending the institution;

“(G) student services, including services for students with disabilities;

“(H) policies and procedures for evaluating and accepting credits earned by students transferring from other institutions and the percentage of such credits accepted;

“(I) completion and graduation rates; and

“(J) placement rates and other measures of success in preparing students for entry into or advancement in the workforce.

“(2) PUBLICATION OF COLLEGE CONSUMER PROFILE.—The contents of the college consumer profile required by paragraph (1) shall be made public through dissemination via the Secretary’s data
collection and dissemination system. The information required to be disclosed by section 485 may be used by the institution to provide (where applicable) the contents of the college consumer profile, but nothing in this subsection shall be construed to relieve the institution of any information disclosure requirement of such section.”.

**TITLE V—DEVELOPING INSTITUTIONS**

**SEC. 501. DEFINITIONAL CHANGES.**

Section 502(a) (20 U.S.C. 1101a(a)) is amended—

(1) in paragraph (5)—

(A) by inserting “and” after the semicolon at the end of subparagraph (A);

(B) by inserting “at the end of the award year immediately preceding the date of application” after “Hispanic students” in subparagraph (B);

(C) by striking “; and” at the end of subparagraph (B) and inserting a period; and

(D) by striking subparagraph (C); and

(2) by striking paragraph (7).

**SEC. 502. ASSURANCE OF ENROLLMENT OF NEEDY STUDENTS.**

Section 511(c) (20 U.S.C. 1103(e)) is amended—
(1) by redesignating paragraphs (8) and (9) as paragraphs (9) and (10), respectively; and

(2) by inserting after paragraph (7) the following new paragraph:

“(8) contain such assurances as the Secretary may require that the institution has an enrollment of needy students as required by section 502(b);”.

SEC. 503. ADDITIONAL AMENDMENTS.

Title V is further amended—

(1) in section 502(a)(2)(A) (20 U.S.C. 1101a(a)(2)(A)), by redesignating clauses (v) and (vi) as clauses (vi) and (vii), respectively, and inserting after clause (iv) the following new clause:

“(v) which provides a program of not less than 2 years that is acceptable for full credit toward a bachelor’s degree; and”;

(2) in section 503(b) (20 U.S.C. 1101b(b))—

(A) by amending paragraph (2) to read as follows:

“(2) 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.”;

(B) by amending paragraph (12) to read
as follows:

“(12) Establishing community outreach pro-
grams and collaborative partnerships between His-
panic-serving institutions and local elementary or
secondary schools. Such partnerships may include
mentoring, tutoring, or other instructional opportu-
nities that will boost student academic achievement
and assist elementary and secondary school students
in developing the academic skills and the interest to
pursue postsecondary education.”;

(C) by redesignating paragraphs (5)
through (14) as paragraphs (6) through (15),
respectively; and

(D) by inserting after paragraph (4) the
following:

“(5) Education or counseling services designed
to improve the financial literacy and economic lit-
eracy of students and, as appropriate, their par-
ents.”; and

(3) in section 504(a) (20 U.S.C. 1101e(a))—

(A) by striking the following:

“(a) Award Period.—
“(1) IN GENERAL.—The Secretary” and inserting the following:

“(a) AWARD PERIOD.—The Secretary”; and

(B) by striking paragraph (2).

SEC. 504. TITLE V AUTHORIZATION.

Subsection (a) of section 518 of such Act (20 U.S.C. 1103g(a)) is amended to read as follows:

“(a) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this title $96,000,000 for fiscal year 2005 and such sums as may be necessary for each of the 5 succeeding fiscal years.”.

TITLE VI—TITLE VI
AMENDMENTS

SEC. 601. SENSE OF THE HOUSE.

It is the sense of the House of Representatives that title VI of the Higher Education Act of 1965 should be amended as provided in H.R. 3077 as passed by the House of Representatives on October 21, 2003.

TITLE VII—TITLE VII
AMENDMENTS

SEC. 701. SENSE OF THE HOUSE.

It is the sense of the House of Representatives that title VII of the Higher Education Act of 1965 should be amended as provided in H.R. 3076 as passed by the House of Representatives on October 21, 2003.
TITLE VIII—CLERICAL AMENDMENTS

SEC. 801. CLERICAL AMENDMENTS.

(a) DEFINITION.—Section 103 (20 U.S.C. 1003) is amended—

(1) by redesignating paragraphs (1) through (16) as paragraphs (2) through (17), respectively; and

(2) by inserting before paragraph (2) (as so redesignated) the following new paragraph:

“(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 the Workforce of the House of Representatives.”.

(b) COMMITTEES.—

(1) The following provisions are each amended by striking “Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives” and inserting “authorizing committees”:

(A) Section 131(a)(3)(B) (20 U.S.C. 1015(a)(3)(B)).
(B) Section 131(c)(4) (20 U.S.C. 1015(c)(4)).

(C) Section 206(d) (20 U.S.C. 1026(d)).

(D) Section 207(e)(1) (20 U.S.C. 1027(e)(1)).

(E) Section 428(g) (20 U.S.C. 1078(g)).

(F) Section 428A(a)(4) (20 U.S.C. 1078–1(a)(4)).

(G) Section 428A(e)(2) (20 U.S.C. 1078–1(e)(2)).

(H) Section 428A(e)(3) (20 U.S.C. 1078–1(e)(3)).

(I) Section 428A(e)(5) (20 U.S.C. 1078–1(e)(5)).

(J) Section 455(b)(8)(B) (20 U.S.C. 1087e(b)(8)(B)).

(K) Section 483(c) (20 U.S.C. 1090(c)).

(L) Section 486(e) (20 U.S.C. 1093(e)).


(O) Section 487A(a)(5) (20 U.S.C. 1094a(a)(5)).
(P) Section 487A(b)(2) (20 U.S.C. 1094a(b)(2)).

(Q) Section 487A(b)(3)(B) (20 U.S.C. 1094a(b)(3)(B)).

(R) Section 498B(d)(1) (20 U.S.C. 1099c–2(d)(1)).

(S) Section 498B(d)(2) (20 U.S.C. 1099c–2(d)(2)).

(2) The following provisions are each amended by striking “Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate” and inserting “authorizing committees”:

(A) Section 141(d)(4)(B) (20 U.S.C. 1018(d)(4)(B)).

(B) Section 428(n)(4) (20 U.S.C. 1078(n)(4)).

(C) Section 485(f)(5)(A) (20 U.S.C. 1092(f)(5)(A)).

(D) Section 485(g)(4)(B) (20 U.S.C. 1092(g)(4)(B)).

(3) Section 206(a) (20 U.S.C. 1026(a)) is amended by striking “, the Committee on Labor and Human Resources of the Senate, and the Committee on Education and the Workforce of the House of
Representatives” and inserting “and the authorizing committees”.

(4) Section 401(f)(3) (20 U.S.C. 1070a(f)(3)) is amended by striking “Committee on Appropriations and the Committee on Labor and Human Resources of the Senate and the Committee on Appropriations and the Committee on Education and the Workforce of the House of Representatives” and inserting “Committees on Appropriations of the Senate and House of Representatives and the authorizing committees”.

(5) Section 428(c)(9)(K) (20 U.S.C. 1078(c)(9)(K)) is amended by striking “House Committee on Education and the Workforce and the Senate Committee on Labor and Human Resources” and inserting “authorizing committees”.

(6) Section 428I(h) (20 U.S.C. 1078–9(h)) is amended by striking “Chairman of the Senate Labor and Human Resources Committee and the House Committee on Education and Labor” and inserting “chairpersons of the authorizing committees”.

(7) Section 432(f)(1)(C) (20 U.S.C. 1082(f)(1)(C)) is amended by striking “Committee on Education and the Workforce of the House of Representatives or the Committee on Labor and
Human Resources of the Senate” and inserting “either of the authorizing committees”.

(8) Section 439(d)(1)(E)(iii) (20 U.S.C. 1087–2(d)(1)(E)(iii)) is amended by striking “Chairman and the Ranking Member on the Committee on Labor and Human Resources of the Senate and the Chairman and the Ranking Member of the Committee on Education and Labor of the House of Representatives” and inserting “chairpersons and ranking minority members of the authorizing committees”.

(9) Paragraphs (3) and (8)(C) of section 439(r) (20 U.S.C. 1087–2(r)) are each amended by striking “Chairman and ranking minority member of the Committee on Labor and Human Resources of the Senate, the Chairman and ranking minority member of the Committee on Education and Labor of the House of Representatives,” and inserting “chairpersons and ranking minority members of the authorizing committees”.

(10) Paragraphs (5)(B) and (10) of section 439(r) (20 U.S.C. 1087–2(r)) are each amended by striking “Chairman and ranking minority member of the Senate Committee on Labor and Human Resources and to the Chairman and ranking minority
member of the House Committee on Education and Labor” and inserting “chairpersons and ranking minority members of the authorizing committees”.

(11) Section 439(r)(6)(B) (20 U.S.C. 1087–2(r)(6)(B)) is amended by striking “Chairman and ranking minority member of the Committee on Labor and Human Resources of the Senate and to the Chairman and ranking minority member of the Committee on Education and Labor of the House of Representatives” and inserting “chairpersons and ranking minority members of the authorizing committees”.

(12) Section 439(s)(2)(A) (20 U.S.C. 1087–2(s)(2)(A)) is amended by striking “Chairman and Ranking Member of the Committee on Labor and Human Resources of the Senate and the Chairman and Ranking Member of the Committee on Economic and Educational Opportunities of the House of Representatives” and inserting “chairpersons and ranking minority members of the authorizing committees”.

(13) Section 439(s)(2)(B) (20 U.S.C. 1087–2(s)(2)(B)) is amended by striking “Chairman and Ranking Minority Member of the Committee on Labor and Human Resources of the Senate and
Chairman and Ranking Minority Member of the Committee on Economic and Educational Opportunities of the House of Representatives” and inserting “chairpersons and ranking minority members of the authorizing committees”.

(14) Section 482(d) (20 U.S.C. 1089(d)) is amended by striking “Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representa-
tives” and inserting “authorizing committees”.

(c) ADDITIONAL CLERICAL AMENDMENTS.—

(1) Clauses (i) and (ii) of section 425(a)(2)(A) (20 U.S.C. 1075(a)(2)(A)) are each amended by striking “428A or 428B” and inserting “428B or 428H”.

(2) Section 428(a)(2)(E) (20 U.S.C. 1078(a)(2)(E)) is amended by striking “428A or”. 

(3) Clauses (i) and (ii) of section 428(b)(1)(B) (20 U.S.C. 1078(b)(1)(B)) are each amended by striking “428A or 428B” and inserting “428B or 428H”.

(4) Section 428(b)(1)(Q) (20 U.S.C. 1078(b)(1)(Q)) is amended by striking “sections 428A and 428B” and inserting “section 428B or 428H”.

(6) Section 428G(c)(2) (20 U.S.C. 1078–7(c)(2)) is amended by striking “428A” and inserting “428H”.

(7) The heading for section 433(e) (20 U.S.C. 1083(e)) is amended by striking “SLS LOANS AND”.

(8) Section 433(e) (20 U.S.C. 1083(e)) is amended by striking “428A, 428B,” and inserting “428B”.

(9) Section 435(a)(3) (20 U.S.C. 1085(a)(3)) is amended—

(A) by inserting “or” at the end of sub-paragraph (A);

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B).


(11) Section 435(m) (20 U.S.C. 1085(m)) is amended—
(A) in paragraph (1)(A), by striking “,
428A,”; and

(B) in paragraph (2)(D), by striking
“428A” each place it appears and inserting
“428H”.

(12) Section 438(b)(2)(D) (20 U.S.C. 1087–
1(b)(2)(D)) is amended by striking “division (i) of
this subparagraph” and inserting “clause (i) of this
subparagraph”.

(13) Section 438(c)(6) (20 U.S.C. 1087–
1(c)(6)) is amended—

(A) by striking “SLS AND PLUS” in the
heading and inserting “PLUS”; and

(B) by striking “428A or”.

(14) Section 438(c)(7) (20 U.S.C. 1087–
1(c)(7)) is amended by striking “428A or”.

(15) Nothing in the amendments made by this
subsection shall be construed to alter the terms, con-
ditions, and benefits applicable to Federal supple-
mental loans for students (“SLS loans”) under sec-
tion 428A as in effect prior to July 1, 1994 (20
TITLE IX—STUDENT LOAN FORGIVENESS FOR FAMILIES OF 9/11 VICTIMS

SEC. 901. CANCELLATION OF STUDENT LOAN INDEBTEDNESS FOR SPOUSES, SURVIVING JOINT DEBTORS, AND PARENTS.

(a) DEFINITIONS.—For purposes of this section:

(1) ELIGIBLE PUBLIC SERVANT.—The term “eligible public servant” means an individual who—

(A) served as a police officer, firefighter, other safety or rescue personnel, or as a member of the Armed Forces; and

(B) died (or dies) or became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attack on September 11, 2001; as determined in accordance with regulations of the Secretary.

(2) ELIGIBLE VICTIM.—The term “eligible victim” means an individual who died (or dies) or became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attack on September 11, 2001, as determined in accordance with regulations of the Secretary.
(3) **ELIGIBLE PARENT.**—The term “eligible parent” means the parent of an eligible victim if—

(A) the parent owes a Federal student loan that is a consolidation loan that was used to repay a PLUS loan incurred on behalf of such eligible victim; or

(B) the parent owes a Federal student loan that is a PLUS loan incurred on behalf of an eligible victim who became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attack on September 11, 2001.

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

(5) **FEDERAL STUDENT LOAN.**—The term “Federal student loan” means any loan made, insured, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965.

(b) **RELIEF FROM INDEBTEDNESS.**—

(1) **IN GENERAL.**—The Secretary shall provide for the discharge or cancellation of—

(A) the Federal student loan indebtedness of the spouse of an eligible public servant, as determined in accordance with regulations of the Secretary, including any consolidation loan
that was used jointly by the eligible public serv-

ant and his or her spouse to repay the Federal

student loans of the spouse and the eligible

public servant;

   (B) the portion incurred on behalf of the
eligible victim (other than an eligible public

servant), of a Federal student loan that is a

consolidation loan that was used jointly by the

eligible victim and his or her spouse, as deter-

dined in accordance with regulations of the

Secretary, to repay the Federal student loans of

the eligible victim and his or her spouse;

   (C) the portion of the consolidation loan
indebtedness of an eligible parent that was in-

curred on behalf of an eligible victim; and

   (D) the PLUS loan indebtedness of an eli-

gible parent that was incurred on behalf of an

eligible victim.

   (2) Method of Discharge or Cancellation.—A loan required to be discharged or canceled
under paragraph (1) shall be discharged or canceled
by the method used under section 437(a), 455(a)(1),
or 464(e)(1)(F) of the Higher Education Act of
1965 (20 U.S.C. 1087(a), 1087e(a)(1),
1087dd(c)(1)(F)), whichever is applicable to such loan.

(c) FACILITATION OF CLAIMS.—The Secretary shall—

(1) establish procedures for the filing of applications for discharge or cancellation under this section by regulations that shall be prescribed and published within 90 days after the date of enactment of this Act and without regard to the requirements of section 553 of title 5, United States Code; and

(2) take such actions as may be necessary to publicize the availability of discharge or cancellation of Federal student loan indebtedness under this section.

(d) AVAILABILITY OF FUNDS FOR PAYMENTS.—Funds available for the purposes of making payments to lenders in accordance with section 437(a) for the discharge of indebtedness of deceased or disabled individuals shall be available for making payments under section 437(a) to lenders of loans as required by this section.

(e) APPLICABLE TO OUTSTANDING DEBT.—The provisions of this section shall be applied to discharge or cancel only Federal student loans (including consolidation loans) on which amounts were owed on September 11,
TITLE X—AMENDMENTS TO OTHER EDUCATION LAWS

PART A—EDUCATION OF THE DEAF ACT OF 1986

SEC. 1001. LAURENT CLERC NATIONAL DEAF EDUCATION CENTER.

(a) GENERAL AUTHORITY.—Section 104(a)(1)(A) of the Education of the Deaf Act of 1986 (20 U.S.C. 4304(a)(1)(A)) is amended by inserting after “maintain and operate” the following: “, at the Laurent Clerc National Deaf Education Center,”.

(b) ADMINISTRATIVE REQUIREMENTS.—

(1) IN GENERAL.—Section 104(b) of the Education of the Deaf Act of 1986 (20 U.S.C. 4304(b)) is amended—

(A) in the matter preceding subparagraph (A) of paragraph (1), by striking “elementary and secondary education programs” and inserting “Laurent Clerc National Deaf Education Center”; and

(B) in paragraph (2), by striking “elementary and secondary education programs” and inserting “Laurent Clerc National Deaf Education Center”.

2001. Nothing in this section shall be construed to authorize any refunding of any repayment of a loan.
(2) Academic content standards, achievement standards, and assessments.—Section 104(b) of the Education of the Deaf Act of 1986 (20 U.S.C. 4304(b)) is amended by adding at the end the following new paragraph:

“(5) The University, in consultation with the Secretary, shall—

“(A) not later than the beginning of the 2006–2007 academic year, adopt and implement academic content standards, academic achievement standards, and academic assessments as described in section 1111(b) of the Elementary and Secondary Education Act of 1965 for the Laurent Clerc National Deaf Education Center;

“(B) develop adequate yearly progress standards for the Center as described in section 1111(2)(C) of such Act; and

“(C) make available to the public the results of such assessments, except in such case in which such reporting would not yield statistically reliable information or would reveal personally identifiable information about an individual student.”.

SEC. 1002. AUTHORITY.

Section 111 of the Education of the Deaf Act of 1986 (20 U.S.C. 4331) is amended by striking “the institution
of higher education with which the Secretary has an agree-
ment under this part” and inserting “the Rochester Insti-
tute of Technology”.

SEC. 1003. AGREEMENT FOR THE NATIONAL TECHNICAL IN-
STITUTE FOR THE DEAF.

(a) GENERAL AUTHORITY.—Section 112(a) of the
is amended—

(1) in paragraph (1)—

(A) in the first sentence—

(i) by striking “an institution of high-
er education” and inserting “the Rochester
Institute of Technology, Rochester, New
York,”; and

(ii) by striking “of a” and inserting
“of the”; and

(B) by striking the second sentence; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph
(A), by striking “the institution of higher edu-
cation with which the Secretary has an agree-
ment under this section” and inserting “the
Rochester Institute of Technology”; and
(B) in subparagraph (B), by striking “the institution” and inserting “the Rochester Institute of Technology”.

(b) PROVISIONS OF AGREEMENT.—Section 112(b) of the Education of the Deaf Act of 1986 (20 U.S.C. 4332(b)) is amended—

(1) in paragraph (2), by striking “or other governing body of the institution” and inserting “of the Rochester Institute of Technology”; and

(2) in paragraph (3)—

(A) by striking “or other governing body of the institution” and inserting “of the Rochester Institute of Technology”;

(B) by striking “the institution of higher education under the agreement with the Secretary” and inserting “the Rochester Institute of Technology by the National Technical Institute for the Deaf”; and

(C) by striking “Committee on Education and Labor of the House of Representatives and to the Committee on Labor and Human Resources of the Senate” and inserting “Committee on Education and the Workforce of the House of Representatives and to the Committee
on Health, Education, Labor, and Pensions of
the Senate’’.

(c) LIMITATION.—Section 112(c) of the Education of
the Deaf Act of 1986 (20 U.S.C. 4332(c)) is amended in
paragraphs (1) and (2) by striking “institution” each
place it appears and inserting “Rochester Institute of
Technology”.

SEC. 1004. DEFINITIONS.

Section 201 of the Education of the Deaf Act of 1986
(20 U.S.C. 4351) is amended—

(1) by striking paragraph (3);

(2) by redesignating paragraphs (4) through
(7) as paragraphs (3) through (6), respectively; and

(3) by adding at the end the following new
paragraph:

“(7) The term ‘RIT’ means the Rochester Insti-
tute of Technology.”.

SEC. 1005. AUDIT.

(a) INDEPENDENT FINANCIAL AND COMPLIANCE
AUDIT.—Section 203(b)(1) of the Education of the Deaf
Act of 1986 (20 U.S.C. 4353(b)(1)) is amended by strik-
ing the second sentence and inserting the following:

“NTID shall have an annual independent financial and
compliance audit made of RIT programs and activities,
including NTID programs and activities.”.
(b) COMPLIANCE.—Section 203(b)(2) of the Education of the Deaf Act of 1986 (20 U.S.C. 4353(b)(2)) is amended by striking “sections” and all that follows through “section 207” and inserting “sections 102(b), 105(b)(4), 112(b)(5), 203(c), 207(b)(2), subsections (c) through (f) of section 207”.

(c) SUBMISSION OF AUDITS.—Section 203(b)(3) of the Education of the Deaf Act of 1986 (20 U.S.C. 4353(b)(3)) is amended—

(1) by inserting after “Secretary” the following:

“and the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate”; and

(2) by striking “or the institution authorized to establish and operate the NTID under section 112(a)” and inserting “or RIT”.

(d) LIMITATIONS REGARDING EXPENDITURE OF FUNDS.—Section 203(c)(2)(A) of the Education of the Deaf Act of 1986 (20 U.S.C. 4353(c)(2)(A)) is amended in the fifth sentence by striking “the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate” and inserting “the Committee on Education and the Workforce of the House of Representatives and the Committee on
mittee on Health, Education, Labor, and Pensions of the Senate”.

SEC. 1006. REPORTS.

(a) TECHNICAL AMENDMENTS.—Section 204 of the Education of the Deaf Act of 1986 (20 U.S.C. 4354) is amended in the matter preceding paragraph (1)—

(1) by striking “or other governing body of the institution of higher education with which the Secretary has an agreement under section 112” and inserting “of RIT”; and

(2) by striking “Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate” and inserting “Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate”.

(b) CONTENTS OF REPORT.—Section 204 of the Education of the Deaf Act of 1986 (20 U.S.C. 4354) is amended—

(1) in paragraph (2)(C), by striking “upon graduation/completion” and inserting “within one year of graduation/completion”; and

(2) in paragraph (3)(B), by striking “of the institution of higher education with which the Sec-
retary has an agreement under section 112, includ-
ing specific schedules and analyses for all NTID funds, as required under section 203” and inserting “of RIT programs and activities”.

SEC. 1007. LIAISON FOR EDUCATIONAL PROGRAMS.

Section 206(a) of the Education of the Deaf Act of 1986 (20 U.S.C. 4356(a)) is amended by striking “Not later than 30 days after the date of enactment of this Act, the” and inserting “The”.

SEC. 1008. FEDERAL ENDOWMENT PROGRAMS FOR GAL-
LAUDET UNIVERSITY AND THE NATIONAL TECHNICAL INSTITUTE FOR THE DEAF.

Section 207(a)(2) of the Education of the Deaf Act of 1986 (20 U.S.C. 4357(a)(2)) is amended by striking “or other governing body of the institution of higher edu-
cation with which the Secretary has an agreement under section 112” and inserting “of RIT”.

SEC. 1009. OVERSIGHT AND EFFECT OF AGREEMENTS.

Section 208(a) of the Education of the Deaf Act of 1986 (20 U.S.C. 4359(a)) is amended—

(1) by striking “the institution of higher edu-
cation with which the Secretary has an agreement under part B of title I” and inserting “RIT”; and

(2) by striking “Committee on Labor and Human Resources of the Senate and the Committee
on Education and Labor of the House of Represent-
atives” and inserting “Committee on Education and
the Workforce of the House of Representatives and
the Committee on Health, Education, Labor, and
Pensions of the Senate”.

SEC. 1010. AUTHORIZATION OF APPROPRIATIONS.

(a) Monitoring and Evaluation Activities.—
Section 205(c) of the Education of the Deaf Act of 1986
(20 U.S.C. 4355(c)) is amended by striking “fiscal years
1998 through 2003” and inserting “fiscal years 2004
through 2009”.

(b) Federal Endowment Programs for Gal-
laudey University and the National Technical In-
stitute for the Deaf.—Section 207(h) of the Edu-
cation of the Deaf Act of 1986 (20 U.S.C. 4357(h)) is
amended in paragraphs (1) and (2) by striking “fiscal
years 1998 through 2003” each place it appears and in-
serting “fiscal years 2004 through 2009”.

(c) General Authorization of Appropri-
tions.—Section 212 of the Education of the Deaf Act of
1986 (20 U.S.C. 4360a) is amended—

(1) in the matter preceding paragraph (1) in
subsection (a), by striking “fiscal years 1998
through 2003” and inserting “fiscal years 2004
through 2009”; and
(2) in subsection (b), by striking “fiscal years 1998 through 2003” and inserting “fiscal years 2004 through 2009”.

PART B—ADDITIONAL EDUCATION LAWS

SEC. 1021. AMENDMENT TO HIGHER EDUCATION AMENDMENTS OF 1998.

(a) Repeals of expired and executed provisions.—The following provisions of the Higher Education Amendments of 1998 are repealed:

(1) Study of market mechanisms in federal student loan programs.—Section 801 (20 U.S.C. 1018 note).

(2) Study of feasibility of alternate financial instruments for determining lender yields.—Section 802.

(3) Student related debt study.—Section 803 (20 U.S.C. 1015 note)


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(7) Improving United States understanding of science, engineering, and technology in East Asia.—Part F (20 U.S.C. 1862 note).

(8) Web-based education commission.—
Part J.

(b) Extensions of authorizations and studies.—

(1) Transfer of credit.—Section 804(b) (20 U.S.C. 1099b note) is amended—

(A) by striking “one year after the date of enactment of this Act” and inserting “September 30, 2006”; and

(B) by inserting “and policies of institutions of higher education” after “agencies or associations”.

(2) Cohort default rate study.—Section 806 is amended—

(A) in subsection (a), by striking “higher education at which less” and inserting “higher education. The study shall also review the effect of cohort default rates specifically on institutions of higher education at which less”; and
(B) in subsection (c), by striking “September 30, 1999,” and inserting “September 30, 2006,”.

(3) VIOLENCE AGAINST WOMEN.—Section 826 (20 U.S.C. 1152) is amended—

(A) in subsection (g)—

(i) by striking “1999” and inserting “2005”; and

(ii) by striking “4 succeeding” and inserting “5 succeeding”; and

(B) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(4) UNDERGROUND RAILROAD.—Subsection (c) of section 841 (20 U.S.C. 1153(c)) is amended to read as follows:

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $3,000,000 for fiscal year 2005 and such sums as may be necessary for each of the 5 succeeding fiscal years.”.

(e) DISBURSEMENT OF STUDENT LOANS.—Section 422(d) of the Higher Education Amendments of 1998 (Public Law 105–244; 112 Stat. 1696) is amended by adding at the end the following new sentence: “Such amendments shall also be effective on and after July 1, 2005.”.
SEC. 1022. TRIBALLY CONTROLLED COLLEGE OR UNIVERSITY ASSISTANCE ACT OF 1978.

(a) TITLE I AUTHORIZATION.—Section 110(a) of the Tribally Controlled Community College or University Assistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

(1) by striking “1999” each place it appears and inserting “2005”; and

(2) by striking “4 succeeding” each place it appears and inserting “5 succeeding”.

(b) TITLE III REAUTHORIZATION.—Section 306(a) of the Tribally Controlled Community College or University Assistance Act of 1978 (25 U.S.C. 1836(a)) is amended—

(1) by striking “1999” and inserting “2005”; and

(2) by striking “4 succeeding” and inserting “5 succeeding”.

(c) TITLE IV REAUTHORIZATION.—Section 403 of the Tribal Economic Development and Technology Related Education Assistance Act of 1990 (25 U.S.C. 1852) is amended—

(1) by striking “1999” and inserting “2005”; and

(2) by striking “4 succeeding” and inserting “5 succeeding”.

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(d) ADDITIONAL AMENDMENTS.—The Tribally Controlled Community College or University Assistance Act of 1978 is further amended—

(1) in section 2(a)(6) (25 U.S.C. 1801(a)(6)), by striking “in the field of Indian education” and inserting “in the field of Tribal Colleges and Universities and Indian higher education”;

(2) in section 2(b), by striking paragraph (5) and inserting the following:

“(5) Eligible credits earned in a continuing education program shall be determined as one credit for every 10 contact hours for institutions on a quarter system, and 15 contact hours for institutions 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 may not exceed 20 percent of an institution’s total Indian student count.”; and

(3) in section 103 (25 U.S.C. 1804), by striking “and” at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting “;
and”, and by inserting after paragraph (3) the fol-
lowing new paragraph:

“(4) has been accredited by a nationally recog-
nized accrediting agency or association determined
by the Secretary of Education to be a reliable au-
thority as to the quality of training offered, or is, ac-
cording to such an agency or association, making
reasonable progress toward accreditation.”.

SEC. 1023. NAVAJO COMMUNITY COLLEGE ACT.

Section 5(a)(1) of the Navajo Community College Act
(25 U.S.C. 640e–1(a)(1)) is amended—

(1) by striking “1999” and inserting “2005”; 
and

(2) by striking “4 succeeding” and inserting “5
succeeding”.


Section 1543(d) of the Education Amendments of
1992 (20 U.S.C. 1070 note) is amended—

(1) by striking “1999” and inserting “2005”; 
and

(2) by striking “4 succeeding” and inserting “5
succeeding”.

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SEC. 1025. STUDY OF STUDENT LEARNING OUTCOMES AND PUBLIC ACCOUNTABILITY.

(a) Study Required.—The Secretary shall provide for the conduct a study of the best practices of States in assessing undergraduate postsecondary student learning, particularly as such practices relate to public accountability systems.

(b) Characteristics of the Association.—Such study shall be conducted by an association or organization with specific expertise and knowledge in state practices and access to necessary state officials (in this section referred to as the “association”). The association responsible for the study under this section shall be a national, non-partisan or bi-partisan entity representing States or State officials with expertise in evaluative and qualitative policy research for best practice models, the capacity to convene experts, and to formulate policy recommendations.

(c) Required Subjects of Study.—In performing the study, the association shall, at a minimum, examine the following:

(1) The current status of institutional and state efforts to embed student learning assessments into the state-level public accountability frameworks.

(2) The extent to which there is commonality among educators and accrediting agencies on learn-
ing standards for the associates and bachelors de-
grees.

(3) The reliability, rigor, and generalizability of
available instruments to assess general education at
the undergraduate level.

(4) Roles and responsibilities for public ac-
countability for student learning.

(d) CONSULTATION.—

(1) NATIONAL COMMITTEE.—The association
shall establish and consult with a national com-
mittee. The committee shall meet not less than twice
a year to review the research, identify best practice
models, and review recommendations.

(2) MEMBERSHIP.—The national advisory com-
mittee shall consist of a representative of the Sec-
retary of Education and individuals with expertise
in—

(A) State accountability systems;

(B) student learning assessments;

(C) student flow data;

(D) transitions between K–12 and higher
education; and

(E) federal higher education policy.
(3) ADDITIONAL EXPERTISE.—The association may augment this committee with other expertise, as appropriate.

(e) CONGRESSIONAL CONSULTATION.—The association shall consult on a regular basis with the Committee on Education and the Workforce of the House of Representatives and the Committee on Health Education Labor and Pensions of the Senate in carrying out the study required by this section.

(f) REPORT.—The association shall, not later than two years after the date of enactment of this Act, prepare and submit a report on the study required by this section 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.