

114TH CONGRESS
2D SESSION

S. 2859

To establish a competitive grant program to incentivize States to implement comprehensive reforms and innovative strategies to significantly improve postsecondary outcomes for low-income and first generation college students, including increasing postsecondary enrollment and graduation rates, to reduce the need of postsecondary students for remedial education, to increase alignment of high school and postsecondary education, and to promote innovation in postsecondary education, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 27, 2016

Mr. FRANKEN introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To establish a competitive grant program to incentivize States to implement comprehensive reforms and innovative strategies to significantly improve postsecondary outcomes for low-income and first generation college students, including increasing postsecondary enrollment and graduation rates, to reduce the need of postsecondary students for remedial education, to increase alignment of high school and postsecondary education, and to promote innovation in postsecondary education, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “College Access Act of
5 2016”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) **ESEA DEFINITIONS.**—The terms “high
9 school”, “local educational agency”, “secondary
10 school”, and “State educational agency” have the
11 meanings given the terms in section 8101 of the Ele-
12 mentary and Secondary Education Act of 1965 (20
13 U.S.C. 7801).

14 (2) **ACCELERATED LEARNING MODEL.**—The
15 term “accelerated learning model” means a program
16 that—

17 (A) is designed to help students in high
18 school learn at a faster and more rigorous pace;
19 and

20 (B) offers students the opportunity to earn
21 postsecondary credits and, in some cases, obtain
22 an occupational certificate or degree (including
23 an associate degree), while such students are in
24 high school.

1 (3) ADULT EDUCATION.—The term “adult edu-
2 cation” means services or instruction below the post-
3 secondary level for individuals who—

4 (A) have attained 16 years of age;

5 (B) are not enrolled or required to be en-
6 rolled in high school under State law; and

7 (C)(i) lack sufficient mastery of basic edu-
8 cational skills to function effectively in society;

9 (ii) do not have a high school diploma, or
10 the recognized equivalent of such diploma, and
11 have not achieved an equivalent level of edu-
12 cation; or

13 (iii) are unable to speak, read, or write in
14 the English language.

15 (4) COMMUNITY COLLEGE.—The term “commu-
16 nity college” has the meaning given the term “junior
17 or community college” in section 312(f) of the High-
18 er Education Act of 1965 (20 U.S.C. 1058(f)).

19 (5) DUAL ENROLLMENT PROGRAM.—The term
20 “dual enrollment program” means an academic pro-
21 gram through which a high school student is able to
22 simultaneously earn credit toward a high school di-
23 ploma and a postsecondary degree or certificate.

24 (6) ENROLLMENT STATUS.—The term “enroll-
25 ment status” has the meaning given the term in sec-

1 tion 690.2(c) of title 34, Code of Federal Regula-
2 tions (as in effect on July 1, 2011).

3 (7) FEDERAL PELL GRANT.—The term “Fed-
4 eral Pell Grant” means a Federal Pell Grant award-
5 ed under section 401 of the Higher Education Act
6 of 1965 (20 U.S.C. 1070a).

7 (8) FIRST GENERATION COLLEGE STUDENT.—
8 The term “first generation college student” has the
9 meaning given the term in section 402A(h) of the
10 Higher Education Act of 1965 (20 U.S.C. 1070a-
11 11(h)).

12 (9) INSTITUTION OF HIGHER EDUCATION.—The
13 term “institution of higher education” has the
14 meaning given the term in section 102 of the Higher
15 Education Act of 1965 (20 U.S.C. 1002).

16 (10) LOW-INCOME STUDENT.—The term “low-
17 income student” means—

18 (A) with respect to a postsecondary stu-
19 dent, a student who is eligible for a Federal
20 Pell Grant; and

21 (B) with respect to a high school student,
22 a student who is eligible for free or reduced
23 price lunch under the Richard B. Russell Na-
24 tional School Lunch Act (42 U.S.C. 1751 et
25 seq.).

1 (11) NET PRICE.—The term “net price” has
2 the meaning given the term in section 132(a) of the
3 Higher Education Act of 1965 (20 U.S.C.
4 1015a(a)).

5 (12) OPEN EDUCATIONAL RESOURCE.—The
6 term “open educational resource” means an edu-
7 cational resource that—

8 (A) is in the public domain; or

9 (B) is made available under a permanent
10 copyright license to the public to freely adapt,
11 distribute, and otherwise use the work with at-
12 tribution to the author as designated.

13 (13) OPEN TEXTBOOK.—The term “open text-
14 book” means an open educational resource or set of
15 open educational resources that—

16 (A) is a textbook for a course at an insti-
17 tution of higher education; or

18 (B) can be used in place of a textbook for
19 a postsecondary course at an institution of
20 higher education.

21 (14) POSTSECONDARY CREDENTIAL.—The term
22 “postsecondary credential” means an associate de-
23 gree, a baccalaureate degree, or a certificate pro-
24 vided by a community college or a postsecondary vo-
25 cational institution.

1 (15) POSTSECONDARY VOCATIONAL INSTITU-
2 TION.—The term “postsecondary vocational institu-
3 tion” has the meaning given such term in section
4 102(c) of the Higher Education Act of 1965 (20
5 U.S.C. 1002(c)).

6 (16) SECRETARY.—The term “Secretary”
7 means the Secretary of Education.

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

11 **SEC. 3. RESERVATION OF FUNDS.**

12 From amounts made available to carry out this Act
13 for each fiscal year, the Secretary may reserve not more
14 than 2 percent of such amounts to carry out activities in
15 accordance with this Act related to technical assistance,
16 evaluation, outreach, and dissemination.

17 **SEC. 4. AUTHORIZATION OF GRANT PROGRAM.**

18 (a) IN GENERAL.—For each fiscal year for which
19 funds are appropriated under section 11 and from such
20 amounts not reserved under section 3, the Secretary shall
21 award planning and implementation grants to States to
22 enable such States to develop or implement a comprehen-
23 sive plan described in section 5 to improve postsecondary
24 outcomes for all students, especially low-income students
25 and first generation college students.

1 (b) PLANNING AND IMPLEMENTATION GRANTS.—In
2 accordance with subsection (a), the Secretary shall
3 award—

4 (1) planning grants, on a competitive basis, to
5 States to enable the States to develop a comprehen-
6 sive plan described in section 5; and

7 (2) implementation grants, on a competitive
8 basis, to States and without regard to whether the
9 States have received a planning grant under para-
10 graph (1), to implement a comprehensive plan de-
11 scribed in section 5.

12 (c) LIMITATION.—A State shall not have more than
13 1 planning grant or more than 1 implementation grant
14 at any given time. A State awarded a planning grant or
15 an implementation grant may reapply for such grant after
16 the termination of such grant.

17 (d) DURATION.—

18 (1) PLANNING GRANTS.—Each planning grant
19 awarded under subsection (b)(1) shall be for a pe-
20 riod of not more than 18 months.

21 (2) IMPLEMENTATION GRANTS.—

22 (A) IN GENERAL.—Each implementation
23 grant awarded under subsection (b)(2) shall be
24 for a period of not more than 5 years, subject
25 to the requirement under subparagraph (B).

1 (B) SUFFICIENT PROGRESS.—An imple-
 2 mentation grant awarded under subsection
 3 (b)(2) shall terminate after a period of 2 years,
 4 if the Secretary determines that the State re-
 5 ceiving such implementation grant has not
 6 made sufficient progress in—

7 (i) implementing a comprehensive
 8 plan described in section 5, at a rate that
 9 the Secretary determines will result in
 10 complete implementation of such plan dur-
 11 ing the remainder of the grant period; and

12 (ii) meeting the annual targets under
 13 section 7(a)(2).

14 **SEC. 5. COMPREHENSIVE PLAN.**

15 (a) IN GENERAL.—To carry out the objectives of this
 16 Act, a State that receives a grant under this Act shall de-
 17 velop, in the case of a planning grant, and implement, in
 18 the case of an implementation grant, a comprehensive plan
 19 to—

20 (1) enhance the affordability of postsecondary
 21 education; and

22 (2) increase the number and percentage of stu-
 23 dents attaining a postsecondary credential, particu-
 24 larly first generation college students and low-in-
 25 come students.

1 (b) REFORMS.—

2 (1) UNIVERSALLY REQUIRED REFORMS.—The
3 comprehensive plan for each State receiving a grant
4 under this Act shall include each of the following re-
5 forms:

6 (A) Implementing measures to maintain or
7 increase fiscal support for postsecondary edu-
8 cation that shall include—

9 (i) significantly increasing the per-
10 centage of student financial need met by
11 need-based grant aid for postsecondary
12 education; and

13 (ii) for public and participating pri-
14 vate institutions of higher education that
15 have, for the most recent year for which
16 data are available that precedes the date of
17 application, a percentage of students who
18 are eligible for Federal Pell Grants that is
19 less than 25 percent, increasing such per-
20 centage throughout the grant period in
21 order to attain a percentage of 25 percent
22 or more by the end of the grant period.

23 (B) Increasing the transparency of infor-
24 mation provided to students and the families of
25 such students about the costs and outcomes of

1 attaining a postsecondary credential at the in-
2 stitutions of higher education in the State, and
3 increasing access to such information for stu-
4 dents and their families, by taking measures
5 that shall include—

6 (i) requiring the institutions of higher
7 education in the State to adopt a net price
8 calculator under section 132(h) of the
9 Higher Education Act of 1965 (20 U.S.C.
10 1015a(h)) that meets the requirements of
11 paragraph (4);

12 (ii) adopting a common letter devel-
13 oped by the Secretary under section 484(a)
14 of the Higher Education Opportunity Act
15 (20 U.S.C. 1092 note) for the institutions
16 of higher education in the State to use in
17 awarding financial aid to students;

18 (iii) enhancing the financial literacy of
19 students and the families of such students
20 regarding the costs of postsecondary edu-
21 cation and financial aid opportunities, be-
22 ginning when such students enter sec-
23 ondary school, by requiring that each sec-
24 ondary school student served by a local
25 educational agency participating in the re-

1 forms carried out of this subsection and
2 when possible, not less than 1 parent or
3 legal guardian of the student, meet with a
4 secondary school counselor to understand
5 the classes the student should take in
6 order to graduate on time and the options
7 available to them to afford postsecondary
8 education;

9 (iv) reporting accurate student grad-
10 uation rates for each institution of higher
11 education in the State, disaggregated by—

12 (I) enrollment status as a full-
13 time student or a part-time student;

14 (II) status as a transfer student;

15 (III) status as a low-income stu-
16 dent; and

17 (IV) status as a first generation
18 college student;

19 (v) reporting the percentages of stu-
20 dents receiving institutional financial aid
21 who are in—

22 (I) each of the income categories
23 described in clauses (i) through (iv) of
24 section 132(i)(6)(A);

1 (II) the income category of
2 \$110,001–\$200,000;

3 (III) the income category of
4 \$201,001–\$300,000; and

5 (IV) the income category of
6 \$300,001 and more; and

7 (vi) developing practices for the con-
8 tinuous assessment of student learning at
9 the postsecondary level and public report-
10 ing of student learning outcomes;

11 (vii) developing multi-year tuition and
12 fee schedules; and

13 (viii) providing a free degree audit to
14 any student.

15 (2) SELECTIVE REFORMS.—The comprehensive
16 plan under section 5 of each State receiving a grant
17 under this Act shall include 1 or more of the fol-
18 lowing reforms, as chosen by such State in accord-
19 ance with paragraph (3):

20 (A) Removing barriers to innovation in
21 postsecondary education, which shall include—

22 (i) developing innovative education de-
23 livery models, such as using technology to
24 enhance online and classroom learning
25 aimed to increase participation and reten-

1 tion of students, particularly first genera-
2 tion college students and low-income stu-
3 dents;

4 (ii) promoting the use of technology to
5 increase personalized learning, advising,
6 and support services for students; and

7 (iii) creating programs to create and
8 expand the use of open educational re-
9 sources, including open textbooks.

10 (B) Improving the transition of students to
11 and from postsecondary institutions and in-
12 creasing the rate of graduation of students
13 from postsecondary institutions, particularly
14 such students graduating on time, by increasing
15 participation in accelerated learning models,
16 which may include—

17 (i) subsidizing the cost of advanced
18 placement program examinations for low-
19 income students;

20 (ii) training teachers to offer ad-
21 vanced placement program courses;

22 (iii) training secondary school coun-
23 selors in accelerated learning options as re-
24 lated to high school graduation require-

1 ments and opportunities to earn postsec-
2 ondary education credits;

3 (iv) training school counselors in the
4 areas of academic advising and postsec-
5 ondary financial aid options;

6 (v) subsidizing the cost of inter-
7 national baccalaureate examinations and
8 programs for low-income students;

9 (vi) increasing access to dual enroll-
10 ment programs for low-income students;
11 and

12 (vii) developing programs to bring ad-
13 vanced placement program courses to rural
14 schools.

15 (C) Reforming postsecondary remediation
16 by taking measures, which may include—

17 (i) reducing the need for remediation
18 by—

19 (I) creating targeted interven-
20 tions to occur in high school or adult
21 education that align with higher edu-
22 cation; and

23 (II) waiving placement testing;

24 (ii) improving the quality of remedi-
25 ation courses and developmental education

1 based on emerging research-based prac-
2 tices;

3 (iii) improving the process for identi-
4 fying the foundational skills needs of stu-
5 dents for remediation or developmental
6 education while such students are in high
7 school or adult education; and

8 (iv) improving the credit transfer poli-
9 cies and articulation agreements, as de-
10 fined in section 486A(a) of the Higher
11 Education Act of 1965 (20 U.S.C.
12 1093a(a)), between or among the institu-
13 tions of higher education in the State.

14 (D) Any other reform, developed by the
15 State and approved by the Secretary, that—

16 (i) removes barriers to innovation in
17 postsecondary education;

18 (ii) improves the transition of stu-
19 dents to and from postsecondary institu-
20 tions and increases the rate of graduation
21 of students from postsecondary institu-
22 tions, particularly the rate of such students
23 graduating on time; or

24 (iii) reforms postsecondary education
25 remediation.

1 (3) REQUIREMENT FOR SELECTING RE-
2 FORMS.—A State receiving a grant under this Act
3 shall only select a reform under paragraph (2) that
4 the State does not already have in place on the date
5 on which such grant is received.

6 (4) REQUIREMENTS FOR NET PRICE CALCU-
7 LATOR.—The net price calculator adopted under
8 paragraph (1)(B)(i) by each institution of higher
9 education in a State shall meet each of the following
10 requirements:

11 (A) The link to the net price calculator
12 made publicly available on the website of such
13 institution—

14 (i) shall be labeled as a “net price cal-
15 culator” in a prominent, clear, and con-
16 spicuous manner, using a size and contrast
17 (such as shade) that is readily noticeable
18 and readable;

19 (ii) shall be posted on the website of
20 such institution in locations that provide
21 information on costs and aid (such as web
22 pages for financial aid, prospective stu-
23 dents, or tuition and fees);

1 (iii) shall match, in size and font, the
2 other prominent links on the primary web
3 page of such website; and

4 (iv) may be included on the web page
5 of such institution that contains informa-
6 tion relating to compliance with Federal,
7 State, and local laws.

8 (B) The results screen for the net price
9 calculator shall specify each of the following:

10 (i) The individual net price (as cal-
11 culated under section 132(h)(2) of the
12 Higher Education Act of 1965 (20 U.S.C.
13 1015a(h)(2))) for an individual student,
14 which shall be the most visually prominent
15 figure on such screen.

16 (ii) The cost of attendance at such in-
17 stitution of higher education for a first-
18 time, full-time undergraduate student en-
19 rolled in the institution, including—

20 (I) tuition and fees;

21 (II) the average annual cost of
22 room and board;

23 (III) the average annual cost of
24 books and supplies; and

1 (IV) the estimated cost of other
2 expenses (including personal expenses
3 and transportation).

4 (iii) The estimated total need-based
5 grant aid and merit-based grant aid, from
6 Federal, State, and institutional sources,
7 that may be available to an individual stu-
8 dent, showing the subtotal for each such
9 category and the total of all sources of
10 grant aid.

11 (iv) A prompt for the student, in
12 prominent lettering, that the student will
13 need to fill out the Free Application for
14 Federal Student Aid, in accordance with
15 section 483 of the Higher Education Act
16 of 1965 (20 U.S.C. 1090), in order to re-
17 ceive Federal financial assistance under
18 title IV of such Act (20 U.S.C. 1070 et
19 seq.).

20 (v) The percentage of the first-time,
21 full-time undergraduate students enrolled
22 in the institution that received any type of
23 grant aid described in clause (iii).

1 (vi) The disclaimer described in sec-
2 tion 132(h)(4) of the Higher Education
3 Act of 1965 (20 U.S.C. 1015a(h)(4)).

4 (vii) In the case of a calculator that—

5 (I) includes questions to estimate
6 the eligibility of a student (or prospec-
7 tive student) for veteran’s education
8 benefits (as defined in section 480(c)
9 of the Higher Education Act of 1965
10 (20 U.S.C. 1087vv(c))) or educational
11 benefits for active duty service mem-
12 bers, the results screen shall display
13 such benefits in a manner that clearly
14 distinguishes them from the grant aid
15 described in clause (iii); or

16 (II) does not include questions to
17 estimate eligibility for the benefits de-
18 scribed in subclause (I), the results
19 screen shall indicate that certain stu-
20 dents (or prospective students) may
21 qualify for such benefits and include a
22 link to information about such bene-
23 fits.

24 (C) The institution shall populate the cal-
25 culator with data from not earlier than 2 aca-

1 demic years prior to the most recent academic
2 year completed on the date of enactment of this
3 Act.

4 (D) The net price calculator shall clearly
5 indicate which questions are required to be an-
6 swered for a net price estimate.

7 (E) In the case of a calculator that re-
8 quests contact information from users, the net
9 price calculator shall clearly indicate that such
10 request is “optional”.

11 (F) The net price calculator shall protect
12 the confidentiality of users by including mecha-
13 nisms to prevent any personally identifiable in-
14 formation from being sold or made available to
15 third parties. The net price calculator shall
16 clearly state: “Any information that you provide
17 on this site is confidential.”.

18 (G) The net price calculator shall not store
19 responses, shall not require any personal identi-
20 fying information from users, and shall clearly
21 state: “The Net Price Calculator does not store
22 your responses and does not require personal
23 identifying information of any kind.”.

1 **SEC. 6. APPLICATIONS.**

2 (a) SUBMISSION.—A State desiring a planning grant
3 or an implementation grant under this Act shall submit
4 an application to the Secretary at such time, in such man-
5 ner, and containing such information as the Secretary may
6 reasonably require.

7 (b) CONTENTS FOR ALL GRANTS.—Each application
8 for a planning grant or an implementation grant under
9 this Act shall include, at a minimum—

10 (1) a demonstration that the State has estab-
11 lished mechanisms and the ability to use funds made
12 available under this Act and other sources of fund-
13 ing, including Federal, State, and local funds, to im-
14 plement the reforms under section 5(b); and

15 (2) an assurance that the State—

16 (A) will include, in carrying out all of the
17 reforms required under section 5(b), all public
18 institutions of higher education in the State
19 and all State agencies with governing authority
20 over postsecondary education in the State; and

21 (B) will include private institutions of
22 higher education located in the State in car-
23 rying out the reforms applicable to such institu-
24 tions.

25 (c) PLANNING GRANTS.—An application for a plan-
26 ning grant awarded under section 4(b)(1) shall include,

1 in addition to the requirements described in subsection
2 (b)—

3 (1) a proposal describing how the State will de-
4 velop and establish a comprehensive plan to imple-
5 ment the reforms under section 5(b);

6 (2) a description of how the State will include,
7 in developing the comprehensive plan—

8 (A) all public institutions of higher edu-
9 cation in the State;

10 (B) private nonprofit organizations, includ-
11 ing private institutions of higher education, that
12 choose to participate in the development of such
13 plan;

14 (C) the State educational agency and the
15 local educational agencies that will be partici-
16 pating in the reforms carried out under section
17 5(b); and

18 (D) other stakeholders, as designated by
19 the Governor of the State; and

20 (3) a description of the State agencies and
21 other entities that will control the programs funded
22 by the grant and how such entities will interact in
23 carrying out the activities of the planning grant, as
24 determined by the Governor for the State.

1 (d) IMPLEMENTATION GRANTS.—An application for
2 an implementation grant awarded under section 4(b)(2)
3 shall include, in addition to the requirements described in
4 subsection (b)—

5 (1) a proposal describing how the State will use
6 the implementation grant to—

7 (A) carry out the reforms required under
8 section 5(b), in accordance with the comprehen-
9 sive plan; and

10 (B) meet the annual targets established by
11 the State under section 7(a)(2), at a rate that
12 the Secretary determines will result in reaching
13 the goals of the grant established by such State
14 under such section; and

15 (2) a description of the State agencies and
16 other entities that the Governor of the State has de-
17 termined will control the programs funded by the
18 grant and how such entities will interact in carrying
19 out the activities of the implementation grant.

20 (e) APPLICATION REVIEW.—

21 (1) IN GENERAL.—The Secretary shall award
22 grants under this Act on a competitive basis consid-
23 ering the quality of the applications submitted.

24 (2) AWARD BASIS.—

1 (A) PRIORITIES.—In awarding grants
2 under this Act, the Secretary shall give priority
3 to—

4 (i) States that show a stronger capac-
5 ity to use the funds made available under
6 this Act to implement a comprehensive
7 plan under section 5;

8 (ii) States that commit, in the appli-
9 cation submitted under this section—

10 (I) in the case of a planning
11 grant, to develop and establish a com-
12 prehensive plan that implements the
13 universally required reforms under
14 section 5(b)(1) and the selective re-
15 forms described in subparagraphs (A),
16 (B), and (C) of section 5(b)(2); or

17 (II) in the case of an implemen-
18 tation grant, to carry out a com-
19 prehensive plan that implements the
20 universally required reforms under
21 section 5(b)(1) and the selective re-
22 forms described in subparagraphs (A),
23 (B), and (C) of section 5(b)(2); and

1 (iii) States that agree to provide sub-
2 stantial matching funds toward the activi-
3 ties funded under the grant.

4 (B) CONSIDERATION.—In awarding grants
5 under this Act, the Secretary shall give special
6 consideration to States that enter into a part-
7 nership with 1 or more private institutions of
8 higher education in order to carry out the re-
9 forms described in section 5(b) that are to be
10 planned or carried out under the grant in both
11 public and private institutions.

12 (3) PUBLICATION OF EXPLANATION.—The Sec-
13 retary shall prepare and submit to Congress and
14 publish on the website of the Department of Edu-
15 cation an explanation of the application process, in-
16 cluding the fairness, equity, transparency, and objec-
17 tivity of the process.

18 **SEC. 7. PERFORMANCE INDICATORS; ANNUAL TARGETS;**

19 **GOALS.**

20 (a) IN GENERAL.—Each State receiving a planning
21 grant under this Act, and each State applying for an im-
22 plementation grant under this Act, shall establish, in ac-
23 cordance with subsection (c) and subject to approval by
24 the Secretary—

1 (1) performance indicators that measure the
2 progress of such State in each of the areas described
3 in subsection (b);

4 (2) annual targets, for the programs and activi-
5 ties carried out under this Act, that will enable such
6 State to reach the goals under paragraph (3); and

7 (3) goals, to be met by such State at the end
8 of the implementation grant period, for achieving
9 progress in each of the areas described in subsection
10 (b).

11 (b) PROGRESS AREAS.—The performance indicators,
12 annual targets, and goals described in subsection (a) shall,
13 at a minimum, track the progress of the State in each
14 of the following areas:

15 (1) Implementing the reforms under section
16 5(b).

17 (2) Increasing—

18 (A) the student graduation rate of first
19 generation college students and low-income stu-
20 dents at institutions of higher education in the
21 State;

22 (B) the number and percentage of students
23 from community colleges and postsecondary vo-
24 cational institutions who transfer to a 4-year

1 institution of higher education in the State and
2 attain a baccalaureate degree; and

3 (C) the number and percentage of students
4 attending institutions of higher education in the
5 State who are eligible for Federal Pell Grants.

6 (3) Reducing the net price of attaining a post-
7 secondary credential.

8 (c) IMPLEMENTATION GRANTS.—

9 (1) OPTIONS FOR STATE THAT HAS RECEIVED
10 A PLANNING GRANT.—A State that has received a
11 planning grant under this Act shall use the perform-
12 ance indicators, annual targets, and goals developed
13 by such entity using the funds of such planning
14 grant to apply for and carry out the activities of an
15 implementation grant under this Act.

16 (2) REQUIREMENTS FOR OTHER ENTITIES.—A
17 State that has not received a planning grant under
18 this Act shall—

19 (A) establish performance indicators, an-
20 nual targets, and goals described in subsection
21 (a) prior to applying for an implementation
22 grant under this Act; and

23 (B) verify such establishment in the appli-
24 cation for such implementation grant.

1 **SEC. 8. USES OF FUNDS.**

2 (a) IN GENERAL.—A State receiving funds from a
3 grant under this Act shall use such funds to carry out
4 the activities of the grant.

5 (b) ADDITIONAL PARTNERS.—A State receiving
6 funds from a grant under this Act may enter into a part-
7 nership or agreement with a nonprofit organization, such
8 as a nonprofit organization that specializes in financial lit-
9 eracy or other subjects, to carry out the activities under
10 the grant.

11 (c) PROHIBITIONS.—A State receiving funds from a
12 grant under this Act shall not use such funds to—

13 (1) promote any lender's loans; or

14 (2) compensate for a decrease in the appropria-
15 tions for higher education made by the State.

16 (d) TERMINATED GRANTS.—If an implementation
17 grant is terminated under section 4(d)(2)(B), the State
18 that received such grant shall return any unused funds
19 of the grant to the Secretary. The Secretary shall use such
20 funds to—

21 (1) increase funds made available to other
22 grants awarded under this Act; or

23 (2) award additional grants to other States.

24 **SEC. 9. REPORTS AND EVALUATION.**

25 (a) REPORTS.—

1 (1) IN GENERAL.—A State that receives an im-
2 plementation grant under this Act shall submit to
3 the Secretary an annual report that, at a minimum,
4 includes—

5 (A) data on the progress of such State in
6 achieving the annual targets established under
7 section 7; and

8 (B) a description of the challenges that
9 such State has faced in carrying out the grant
10 and how such State has addressed or plans to
11 address such challenges.

12 (b) EVALUATION.—The Secretary shall—

13 (1) acting through the Director of the Institute
14 of Education Sciences, evaluate the implementation
15 and impact of the activities carried out by this Act;
16 and

17 (2) disseminate research on best practices for
18 carrying out activities to achieve the objectives of
19 this Act.

20 **SEC. 10. SUPPLEMENT AND NOT SUPPLANT.**

21 The funds authorized under this Act shall supple-
22 ment, and not supplant, other Federal, State, and local
23 funds that are available to enhance the affordability of at-
24 taining a postsecondary credential and increase the stu-
25 dent graduation rates for institutions of higher education.

1 **SEC. 11. AUTHORIZATION OF APPROPRIATIONS.**

2 There are authorized to be appropriated such sums

3 as may be necessary to carry out this Act.

○