

105TH CONGRESS  
1ST SESSION

# H. R. 2546

To amend the Higher Education Act of 1965 to make college more affordable and accessible.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 1997

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

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## A BILL

To amend the Higher Education Act of 1965 to make college more affordable and accessible.

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; REFERENCES.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Higher Education Fairness Act of 1997”.

6       (b) REFERENCES.—Except as otherwise expressly  
7       provided, whenever in this Act an amendment or repeal  
8       is expressed in terms of an amendment to, or repeal of,  
9       a section or other provision, the reference shall be consid-

ered to be made to a section or other provision of the  
Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

**SEC. 2. FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.**

(a) PARENTS' AVAILABLE INCOME.—Section 475(c)(1) is amended—

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

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

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

“(F) the amount of any tax credit taken by the parents under section 25A of the Internal Revenue Code of 1986.”.

(b) STUDENT CONTRIBUTION FROM AVAILABLE INCOME.—Section 475(g)(2) is amended—

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

(2) by striking “\$1,750” in subparagraph (D) and inserting “\$2,250 (or a successor amount prescribed by the Secretary under section 478)”;

(3) by striking the period at the end of subparagraph (D); and

1 (4) by inserting after subparagraph (D) the fol-  
 2 lowing new subparagraph:

3 “(E) the amount of any tax credit taken  
 4 by the student under section 25A of the Inter-  
 5 nal Revenue Code of 1986.”.

6 **SEC. 3. FAMILY CONTRIBUTION FOR INDEPENDENT STU-**  
 7 **DENTS WITHOUT DEPENDENTS OTHER THAN**  
 8 **A SPOUSE.**

9 (a) FAMILY’S CONTRIBUTION FROM AVAILABLE  
 10 INCOME.—Section 476(b)(1)(A) (20 U.S.C.  
 11 1087pp(b)(1)(A)) is amended—

12 (1) by striking “and” at the end of clause (iv);  
 13 and

14 (2) by inserting after clause (v) the following  
 15 new clause:

16 “(vi) the amount of any tax credit  
 17 taken under section 25A of the Internal  
 18 Revenue Code of 1986; and”.

19 (b) INCOME PROTECTION ALLOWANCES.—Section  
 20 476(b)(1)(A)(iv) is amended—

21 (1) by striking “allowance of—” and inserting  
 22 “allowance of the following amount (or a successor  
 23 amount prescribed by the Secretary under section  
 24 478):”;

1           (2) by striking “\$3,000” each place it appears  
 2           in subclauses (I) and (II) and inserting “\$5,500”;  
 3           and  
 4           (3) by striking “\$6,000” in subclause (III) and  
 5           inserting “\$8,500”.

6 **SEC. 4. FAMILY CONTRIBUTION FOR INDEPENDENT STU-**  
 7 **DENTS WITH DEPENDENTS OTHER THAN A**  
 8 **SPOUSE.**

9           Section 477(b)(1) (20 U.S.C. 1087qq(b)(1)) is  
 10 amended—

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

13           (2) by striking the period at the end of sub-  
 14 paragraph (E) and inserting “; and”; and

15           (3) by adding at the end the following new sub-  
 16 paragraph:

17                   “(F) the amount of any tax credit taken  
 18                   under section 25A of the Internal Revenue  
 19                   Code of 1986.”.

20 **SEC. 5. REGULATIONS; UPDATED TABLES AND AMOUNTS.**

21           Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

22           (1) by striking “For each academic year” and  
 23 inserting the following:

24                   “(1) REVISED TABLES.—For each academic  
 25                   year”; and

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

3           “(2) REVISED AMOUNTS.—For each academic  
4 year after academic year 1997–1998, the Secretary  
5 shall publish in the Federal Register revised income  
6 protection allowances for the purpose of sections  
7 475(g)(2)(D) and 476(b)(1)(A)(iv). Such revised al-  
8 lowances shall be developed by increasing each of the  
9 dollar amounts contained in such section by a per-  
10 centage equal to the estimated percentage increase  
11 in the Consumer Price Index (as determined by the  
12 Secretary) between December 1996 and the Decem-  
13 ber next preceding the beginning of such academic  
14 year, and rounding the result to the nearest \$10.”.

15 **SEC. 6. DEFINITIONS.**

16       (a) TOTAL INCOME.—Section 480(a)(2) (20 U.S.C.  
17 1087vv(a)(2)) is amended—

18           (1) by striking “individual, and” and inserting  
19 “individual,”; and

20           (2) by inserting “, and no portion of any tax  
21 credit taken under section 25A of the Internal Reve-  
22 nue Code of 1986” before “shall be included”.

23       (b) EXCLUDABLE INCOME.—Section 480(e) is  
24 amended

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

3           (2) by striking the period at the end of para-  
4       graph (4) and inserting “; and”; and

5           (3) by adding after paragraph (4) the following  
6       new paragraph:

7           “(5) any tax credit taken under section 25A of  
8       the Internal Revenue Code of 1986.”.

9       (c) OTHER FINANCIAL ASSISTANCE.—Section 480(j)  
10   is amended by adding at the end the following new para-  
11   graph:

12       “(4) Notwithstanding paragraph (1), a tax credit  
13   taken under section 25A of the Internal Revenue Code of  
14   1986 shall not be treated as estimated financial assistance  
15   for purposes of section 471(3).”.

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