

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1249

To require the Secretary of Education to rebate the amount of Federal Pell Grant aid lost as a result of the update to the tables for State and other taxes used in the Federal student aid need analysis for award year 2005–2006.

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## IN THE SENATE OF THE UNITED STATES

JUNE 15, 2005

Mr. CORZINE (for himself, Mr. KENNEDY, Mrs. CLINTON, and Mr. REED) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To require the Secretary of Education to rebate the amount of Federal Pell Grant aid lost as a result of the update to the tables for State and other taxes used in the Federal student aid need analysis for award year 2005–2006.

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 “Student Fairness Act”.

5        **SEC. 2. REBATE REQUIRED.**

6        (a) CALCULATION OF EXPECTED FAMILY CONTRIBU-  
7        TION.—Beginning 60 days after the date of enactment of

1 this Act, the Secretary of Education (referred to in this  
2 Act as the “Secretary”) shall, for each student who sub-  
3 mits a completed Free Application for Federal Student  
4 Aid described in section 483 of the Higher Education Act  
5 of 1965 (20 U.S.C. 1090) for the 2005–2006 award year,  
6 calculate—

7           (1) the expected family contribution, as deter-  
8           mined for such student for such award year on the  
9           basis of the allowance for State and other taxes as  
10          adjusted by the updated tax tables published in the  
11          Federal Register on Thursday, December 23, 2004  
12          (69 Fed. Reg. 76926–76927); and

13          (2) the expected family contribution that would  
14          apply to such student if such calculation was based  
15          upon the allowance for State and other taxes used  
16          for the 2004–2005 award year.

17          (b) REBATE THE DIFFERENCE IN THE PELL GRANT  
18          AWARD.—

19               (1) IN GENERAL.—For each student for whom  
20               the amount determined under subsection (a)(1) ex-  
21               ceeds the amount determined under subsection  
22               (a)(2), the Secretary shall—

23                       (A) determine the amount (if any) by  
24                       which—

1 (i) the Federal Pell Grant aid under  
2 subpart 1 of part A of title IV of the High-  
3 er Education Act of 1965 (20 U.S.C.  
4 1070a et seq.) that would have been pro-  
5 vided to such student if such calculation  
6 was based upon the allowance for State  
7 and other taxes for the 2004–2005 award  
8 year, exceeds

9 (ii) the Federal Pell Grant aid pro-  
10 vided to such student for award year  
11 2005–2006, based upon the updated tax  
12 tables described in subsection (a)(1); and

13 (B) not later than 30 days after the date  
14 of the determination under subparagraph (A),  
15 provide directly to such student a rebate equal  
16 to the amount of such excess.

17 (2) NO REDUCTION.—If the amount determined  
18 under subsection (a)(1) for a student is equal to or  
19 less than the amount determined under subsection  
20 (a)(2), the Secretary shall not reduce the amount of  
21 the Federal Pell Grant under subpart 1 of part A  
22 of title IV of the Higher Education Act of 1965 (20  
23 U.S.C. 1070a et seq.) available for such student  
24 based on the updated tax tables described in sub-  
25 section (a)(1) for award year 2005–2006.

1 (c) TREATMENT OF REBATE.—Any rebate amount  
2 provided to a student under this section shall not be—

3 (1) treated as a resource or estimated financial  
4 aid for determining an overaward;

5 (2) adjusted based upon the student’s attend-  
6 ance status during the 2005–2006 payment period;

7 (3) included as assistance provided to such stu-  
8 dent under section 484B of the Higher Education  
9 Act of 1965 (20 U.S.C. 1091b);

10 (4) considered as income received when com-  
11 pleting any form required by the Secretary under  
12 section 483 of the Higher Education Act of 1965  
13 (20 U.S.C. 1090); and

14 (5) treated as other financial aid, assets, or in-  
15 come for purposes of determining the need for finan-  
16 cial assistance for any award year subsequent to  
17 award year 2005–2006.

18 (d) AUTHORITY TO USE CONTRACTORS FOR ADMIN-  
19 ISTRATION.—

20 (1) IN GENERAL.—Except as provided in para-  
21 graph (2), the Secretary may provide by contract for  
22 the administration of the requirements of this sec-  
23 tion.

24 (2) INSTITUTIONS NOT REQUIRED TO PERFORM  
25 ADMINISTRATIVE TASKS.—Any institution that is eli-

1 gible to participate in programs under subpart 1 of  
2 part A of title IV of the Higher Education Act of  
3 1965 (20 U.S.C. 1070a et seq.) shall not be required  
4 to perform any administrative requirement under  
5 this Act.

6 (e) USE OF FAFSA DATA PERMITTED.—The Sec-  
7 retary may use information provided on the Free Applica-  
8 tion for Federal Student Aid to comply with the require-  
9 ments of this section.

10 (f) REQUIRED PAYMENTS OF REBATE.—The Sec-  
11 retary shall transfer any unobligated funds available to the  
12 Secretary under the Consolidated Appropriations Act,  
13 2005 (Public Law 108–447) as may be necessary to carry  
14 out this Act.

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