

113TH CONGRESS  
2D SESSION

# S. 2954

To improve the Higher Education Act of 1965, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 20, 2014

Mr. HARKIN 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 improve the Higher Education Act of 1965, 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 “Higher Education Af-  
5       fordability Act”.

6       **SEC. 2. TABLE OF CONTENTS.**

7       The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.
- Sec. 4. General effective date.

### TITLE I—GENERAL PROVISIONS

Sec. 101. Graduate medical schools; postsecondary career and technical edu-  
cation institutions.

- Sec. 102. 85–15 revenue source requirement for proprietary institutions.
- Sec. 103. Definitions.
- Sec. 104. Authorization of appropriations for drug and alcohol abuse prevention.
- Sec. 105. Mandatory financial aid award letter.
- Sec. 106. Code of conduct in affiliated consumer financial products or services.
- Sec. 107. Restriction on marketing with Federal educational assistance funds.
- Sec. 108. Minimum standards for net price calculators.
- Sec. 109. Benefits for borrowers who are members of the Armed Forces.
- Sec. 110. Data improvements for college navigator.
- Sec. 111. College scorecard.
- Sec. 112. Reporting requirements.
- Sec. 113. In-State tuition rates for certain individuals.
- Sec. 114. State higher education information system pilot program.
- Sec. 115. Responsibilities of FSA Ombudsman; addition of point of contact for military families and homeless children.
- Sec. 116. Responsibilities of covered institutions, institution-affiliated organizations, and lenders.
- Sec. 117. Establishment of complaint resolution and tracking system.
- Sec. 118. Proprietary education oversight coordination committee.

## TITLE II—IMPROVING EDUCATOR PREPARATION

- Sec. 201. Improving educator preparation.

## TITLE III—INSTITUTIONAL AID

- Sec. 301. Rule of construction.
- Sec. 302. Program purpose.
- Sec. 303. Duration of grant.
- Sec. 304. American Indian tribally controlled colleges and universities.
- Sec. 305. Alaska Native and Native Hawaiian-serving institutions.
- Sec. 306. Predominantly Black Institutions.
- Sec. 307. Native American-serving nontribal institutions.
- Sec. 308. Asian American and Native American Pacific Islander-serving institutions.
- Sec. 309. Native American education tuition cost share.
- Sec. 310. Grants to institutions.
- Sec. 311. Allotments to institutions.
- Sec. 312. Professional or graduate institutions.
- Sec. 313. Applications for assistance.
- Sec. 314. Limitations on Federal insurance for bonds issued by the designated bonding authority.
- Sec. 315. Authorization of appropriations.

## TITLE IV—STUDENT ASSISTANCE

### PART A—GRANTS TO STUDENTS

#### SUBPART 1—FEDERAL PELL GRANTS

- Sec. 401. Year-round Federal Pell Grants; extension of Federal Pell Grant inflation adjustments.
- Sec. 401A. College opportunity and graduation bonus demonstration program.

#### SUBPART 2—EARLY AWARENESS OF COLLEGE FINANCING OPTIONS

- Sec. 403. Federal TRIO programs authorization.
- Sec. 404. Postbaccalaureate achievement program authorization.
- Sec. 405. Gaining early awareness and readiness for undergraduate programs authorization.
- Sec. 405A. Early awareness of college financing options.
- Sec. 405B. Awareness of postsecondary education financing options for adult learners.

#### SUBPART 3—FEDERAL SUPPLEMENTAL EDUCATION OPPORTUNITY GRANTS

- Sec. 407. Authorization of appropriations.
- Sec. 408. Institutional share of Federal supplemental educational opportunity grants.
- Sec. 409. Federal supplemental educational opportunity grants allocation of funds.

#### SUBPART 4—AMERICAN DREAM GRANTS AND LEAP PROGRAM

- Sec. 415. Purpose; appropriations authorized.
- Sec. 416. American Dream grants.

#### SUBPART 5—REAUTHORIZATION OF APPROPRIATIONS FOR OTHER PART A PROGRAMS.

- Sec. 417. Reauthorization of appropriations for other part A programs.

#### PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

- Sec. 421. Simplification of income-based repayment options for federally insured student loans.
- Sec. 422. Improvements to military loan deferment; clarification of SCRA protections; simplification of income-based repayment options.
- Sec. 423. Simplification of income-based repayment options for Federal Consolidation Loans.
- Sec. 424. Reasonable collection costs and rehabilitation payments.
- Sec. 425. FFEL loan forgiveness for certain American Indian educators.
- Sec. 426. Reauthorization of appropriations for certain loan forgiveness programs.
- Sec. 427. Improvements to credit reporting for Federal student loans.
- Sec. 428. Reduced duplication in student loan servicing.
- Sec. 429. Improved determination of cohort default rates; publication of default prevention plan.
- Sec. 430. Improved disability determinations.
- Sec. 431. Treatment of borrowers falsely certified as eligible to borrow due to identity theft.

#### PART C—FEDERAL WORK-STUDY PROGRAMS

- Sec. 441. Authorization of appropriations.
- Sec. 442. Federal work study allocation of funds.
- Sec. 443. Institutional share of Federal work study funds.
- Sec. 444. Additional funds to conduct community service work-study programs.
- Sec. 445. Work colleges.

#### PART D—FEDERAL DIRECT LOAN PROGRAM

- Sec. 451. Elimination of origination fees and other amendments to terms and conditions of loans.

- Sec. 452. Improved student loan servicing and debt collection practices.
- Sec. 453. Funds for administrative expenses.
- Sec. 454. Federal Direct Loan forgiveness for certain American Indian educators.

#### PART E—FEDERAL PERKINS LOANS

- Sec. 461. Appropriations authorized.
- Sec. 462. Perkins allocation of funds.
- Sec. 463. Institutional contributions for Perkins.
- Sec. 464. Simplification of military deferment eligibility.
- Sec. 465. Forgiveness of loans for eligible military service.
- Sec. 466. Distribution of assets from student loan funds.

#### PART F—NEED ANALYSIS

- Sec. 471. Increased income protection allowance for dependent students.
- Sec. 472. Increased income protection allowance for independent students without dependents other than a spouse.
- Sec. 473. Increased income protection allowance for independent students with dependents other than a spouse.
- Sec. 474. Updated tables and amounts for income protection allowance.
- Sec. 475. Prior prior year; definition of independent student.

#### PART G—GENERAL PROVISIONS

- Sec. 481. Definitions.
- Sec. 482. Standard notification format for delinquent borrowers; explanation of benefits of Federal loans.
- Sec. 483. Institutional financial aid award letter.
- Sec. 483A. Consumer testing.
- Sec. 483B. Loan repayment rate and speed-based repayment rate.
- Sec. 483C. One-time FAFSA pilot program.
- Sec. 484. Ability to benefit.
- Sec. 485. Reasonable collection costs in State court judgments.
- Sec. 486. Improved disclosures, counseling, and financial assistance information for students.
- Sec. 487. Improvements to National Student Loan Data System.
- Sec. 488. Competency-based education demonstration program.
- Sec. 489. Program participation agreements.
- Sec. 490. Civil penalties.
- Sec. 491. Advisory Committee on Student Financial Assistance.
- Sec. 492. Income-based repayment.
- Sec. 493. Extending the protections for student loans for active duty borrowers.
- Sec. 493A. Disbursement of credit balance.
- Sec. 493B. Disclosure of cohort rates based on repayment plan and deferment status.
- Sec. 493C. Institutional reporting requirements.

#### PART H—PROGRAM INTEGRITY

- Sec. 496. Public disclosure of finalized accreditation documents; prohibition on pre-dispute arbitration mandates.
- Sec. 497. Improved targeting of program reviews.
- Sec. 498. Program review and data.

#### PART I—STATE-FEDERAL COLLEGE AFFORDABILITY PARTNERSHIP

Sec. 499. State-Federal college affordability partnership.

#### TITLE V—DEVELOPING INSTITUTIONS

- Sec. 501. Rule of construction.
- Sec. 502. Authorized activities under part A of title V.
- Sec. 503. Duration of grants under title V.
- Sec. 504. Authorized activities under part B of title V.
- Sec. 505. Duration of grants under part B of title V.
- Sec. 506. Waiver authority; reporting requirement; technical assistance.
- Sec. 507. Authorizations of appropriations for developing institutions.

#### TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

- Sec. 601. Technical and conforming amendment.
- Sec. 602. Authorization of appropriations for international and foreign language studies.
- Sec. 603. Authorization of appropriations for business and international education programs.
- Sec. 604. Authorization of appropriations for the Institute for International Public Policy.
- Sec. 605. Authorization of appropriations for the science and technology advanced foreign language education grant program.

#### TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

- Sec. 701. Authorization of appropriations for the Jacob K. Javits Fellowship Program.
- Sec. 702. Authorization of appropriations for graduate assistance in areas of national need.
- Sec. 703. Authorization of appropriations for the Thurgood Marshall Legal Educational Opportunity Program.
- Sec. 704. Authorization of appropriations for masters degree programs at historically Black colleges and universities and Predominantly Black Institutions.
- Sec. 705. Authorization of appropriations for the fund for improvement of postsecondary education.
- Sec. 706. Correctly recognizing educational achievements to empower graduates.
- Sec. 707. Authorization of appropriations for demonstration projects to support postsecondary faculty, staff, and administrators in educating students with disabilities.
- Sec. 708. Authorization of appropriations for transition programs for students with intellectual disabilities.
- Sec. 709. Authorization of appropriations for the Commission on Accessible Materials and programs to support improved access to materials.
- Sec. 710. Authorization of appropriations for the National Technical Assistance Center; Coordinating Center.
- Sec. 711. First in the world competitive grant program.
- Sec. 712. Dual enrollment and early college high school programs.
- Sec. 713. Minority-serving institutions innovation fund.
- Sec. 714. State competitive grant program for reforms to improve higher education persistence and completion.

#### TITLE VIII—ADDITIONAL PROGRAMS

- Sec. 801. Reorganization.
- Sec. 802. Authorization of appropriations for Project Grad.
- Sec. 803. Authorization of appropriations for the mathematics and science scholars program.
- Sec. 804. Community college and industry partnerships program.
- Sec. 805. Authorization of appropriations for capacity for nursing students and faculty.
- Sec. 806. Authorization of appropriations for Teach for America.
- Sec. 807. Authorization of appropriations for the Patsy T. Mink Fellowship Program.
- Sec. 808. Authorization of appropriations for improving science, technology, engineering, and mathematics education with a focus on Alaska Native and Native Hawaiian Students.
- Sec. 809. Authorization of appropriations for student safety and campus emergency management.
- Sec. 810. Authorization of appropriations for the education disaster and emergency relief program.
- Sec. 811. Authorization of appropriations for the jobs to careers program.
- Sec. 812. Authorization of appropriations for rural development grants for rural-serving colleges and universities.
- Sec. 813. Authorization of appropriations for training for realtime writers.
- Sec. 814. Authorization of appropriations for centers of excellence for veteran student success.
- Sec. 815. Authorization of appropriations for path to success.
- Sec. 816. Authorization of appropriations for the Henry Kuualoha Giugni Kupuna Memorial Archives.
- Sec. 817. Appropriations for masters degree programs.
- Sec. 818. Appropriations for postbaccalaureate programs.
- Sec. 819. Tyler Clementi Program.

## TITLE IX—HIGHER EDUCATION OPPORTUNITIES AND SUPPORTS FOR STUDENTS WITH DISABILITIES

- Sec. 901. Higher education opportunities and supports for students with disabilities.

## TITLE X—AMENDMENTS TO OTHER LAWS

### PART A—TRUTH IN LENDING ACT

#### SUBPART 1—DEFINITIONS

- Sec. 1010. Definitions.

#### SUBPART 2—AMENDMENTS TO TRUTH IN LENDING ACT

- Sec. 1011. Exempted transactions.
- Sec. 1012. Mandatory certification.
- Sec. 1013. Civil liability.
- Sec. 1014. Definition of private education loan.
- Sec. 1015. Revenue sharing and disclosure of affiliation.
- Sec. 1016. Improved consumer protections for student loan servicing.

#### SUBPART 3—REGULATIONS AND REPORTS

- Sec. 1017. Implementation of regulations.
- Sec. 1018. Report on credit reporting and student lending.

Sec. 1019. Ombudsman report on private education loan market.

PART B—INTERNAL REVENUE CODE OF 1986

Sec. 1022. Information sharing authority relating to income-based repayment.

PART C—TITLE 11 OF THE UNITED STATES CODE

Sec. 1031. Private loan discharge in bankruptcy.

PART D—SERVICEMEMBERS CIVIL RELIEF ACT

Sec. 1041. Modification of limitation on rate of interest on student loans during and immediately after period of military service.

PART E—UNITED STATES INSTITUTE OF PEACE ACT

Sec. 1051. United States Institute of Peace Act.

TITLE XI—REPORTS, STUDIES, AND MISCELLANEOUS PROVISIONS

Sec. 1101. Consumer protections for students.

Sec. 1102. Longitudinal study of the effectiveness of student loan counseling.

Sec. 1103. Recommendations for student loan counseling.

Sec. 1104. Working group on improvement of resources available to members of the Armed Forces and their spouses in using tuition assistance programs of the Department of Defense.

Sec. 1105. Study on public service loan forgiveness.

Sec. 1106. Longitudinal study of the causes of student loan default.

Sec. 1107. Institutional Risk-Sharing Commission.

Sec. 1108. GAO report on educational attainment of homeless children and youth and foster care children and youth.

Sec. 1109. American Dream Accounts.

Sec. 1110. Study on the impact of Federal financial aid changes on graduate students.

**1 SEC. 3. REFERENCES.**

2 Except as otherwise expressly provided, whenever in  
3 this Act an amendment or repeal is expressed in terms  
4 of an amendment to, or repeal of, a section or other provi-  
5 sion, the reference shall be considered to be made to a  
6 section or other provision of the Higher Education Act of  
7 1965 (20 U.S.C. 1001 et seq.).

**8 SEC. 4. GENERAL EFFECTIVE DATE.**

9 Except as otherwise provided in this Act or the  
10 amendments made by this Act, this Act and the amend-

1 ments made by this Act shall take effect on the date of  
 2 enactment of this Act.

## 3 **TITLE I—GENERAL PROVISIONS**

### 4 **SEC. 101. GRADUATE MEDICAL SCHOOLS; POSTSECONDARY** 5 **CAREER AND TECHNICAL EDUCATION INSTI-** 6 **TUTIONS.**

7 (a) IN GENERAL.—Section 102 (20 U.S.C. 1002) is  
 8 amended—

9 (1) in subsection (a)—

10 (A) in paragraph (1)(B), by striking “vo-  
 11 cational” and inserting “career and technical  
 12 education”; and

13 (B) in paragraph (2)(A)—

14 (i) in the matter preceding clause (i),  
 15 by striking “part D of title IV unless—”  
 16 and inserting “part D of title IV unless the  
 17 school meets 1 of the following require-  
 18 ments:”;

19 (ii) by striking clause (i) and inserting  
 20 the following:

21 “(i) GRADUATE MEDICAL SCHOOL.—

22 “(I) IN GENERAL.—In the case  
 23 of a graduate medical school located  
 24 outside the United States—

1 “(aa)(AA) not less than 60  
2 percent of those enrolled in, and  
3 not less than 60 percent of the  
4 graduates of, such graduate med-  
5 ical school located outside the  
6 United States were not persons  
7 described in section 484(a)(5) in  
8 the year preceding the year for  
9 which a student is seeking a loan  
10 under part D of title IV; and

11 “(BB) not less than 75 per-  
12 cent of the individuals who were  
13 nationals of the United States  
14 who were students or graduates  
15 of the graduate medical school lo-  
16 cated outside the United States  
17 or Canada taking the examina-  
18 tions administered by the Edu-  
19 cational Commission for Foreign  
20 Medical Graduates received a  
21 passing score in the year pre-  
22 ceding the year for which a stu-  
23 dent is seeking a loan under part  
24 D of title IV; or

25 “(bb) the institution—

1                   “(AA) has or had a  
2                   clinical training program  
3                   that was approved by a  
4                   State as of January 1,  
5                   1992; and

6                   “(BB) continues to op-  
7                   erate a clinical training pro-  
8                   gram in at least 1 State that  
9                   is approved by that State.

10                   “(II) EXPIRATION OF ALTER-  
11                   NATIVE QUALIFICATION.—The author-  
12                   ity of a graduate medical school de-  
13                   scribed in subclause (I)(bb) to qualify  
14                   for participation in the loan programs  
15                   under part D of title IV pursuant to  
16                   this clause shall expire beginning on  
17                   the first July 1 following the date of  
18                   enactment of the Higher Education  
19                   Affordability Act.”;

20                   (iii) in clause (ii)—

21                   (I) by striking “in the case of a  
22                   veterinary school” and inserting  
23                   “VETERINARY SCHOOL.—In the case  
24                   of a veterinary school”; and

1 (II) by striking “; or” and insert-  
 2 ing a period; and

3 (iv) in clause (iii), by striking “in the  
 4 case of a nursing school” and inserting  
 5 “NURSING SCHOOL.—In the case of a  
 6 nursing school”; and

7 (2) in subsection (c)—

8 (A) in the subsection heading, by striking  
 9 “VOCATIONAL” and inserting “CAREER AND  
 10 TECHNICAL EDUCATION”;

11 (B) in paragraph (1), by striking “voca-  
 12 tional” and inserting “career and technical edu-  
 13 cation”; and

14 (C) in paragraph (2), by striking “voca-  
 15 tional” and inserting “career and technical edu-  
 16 cation”.

17 (b) LOSS OF ELIGIBILITY.—If a graduate medical  
 18 school loses eligibility to participate in the loan programs  
 19 under part D of title IV of the Higher Education Act of  
 20 1965 (20 U.S.C. 1087a et seq.) due to the enactment of  
 21 the amendments made by subsection (a), then a student  
 22 enrolled at such graduate medical school on or before the  
 23 date of enactment of this Act may, notwithstanding such  
 24 loss of eligibility, continue to be eligible to receive a loan  
 25 under such part D while attending such graduate medical

1 school in which the student was enrolled upon the date  
 2 of enactment of this Act, subject to the student continuing  
 3 to meet all applicable requirements for satisfactory aca-  
 4 demic progress, until the earliest of—

5 (1) withdrawal by the student from the grad-  
 6 uate medical school;

7 (2) completion of the program of study by the  
 8 student at the graduate medical school; or

9 (3) the fourth June 30 after such loss of eligi-  
 10 bility.

11 **SEC. 102. 85-15 REVENUE SOURCE REQUIREMENT FOR PRO-**  
 12 **PRIETARY INSTITUTIONS.**

13 Section 102(b) (20 U.S.C. 1002(b)) is amended—

14 (1) in paragraph (1)—

15 (A) in subparagraph (D), by striking  
 16 “and” after the semicolon;

17 (B) in subparagraph (E), by striking the  
 18 period and inserting “; and”; and

19 (C) by adding at the end the following:

20 “(F) meets the requirements of paragraph  
 21 (2).”;

22 (2) by redesignating paragraph (2) as para-  
 23 graph (3); and

24 (3) by inserting after paragraph (1) the fol-  
 25 lowing:

1 “(2) REVENUE SOURCES.—

2 “(A) IN GENERAL.—In order to qualify as  
3 a proprietary institution of higher education  
4 under this subsection, an institution shall derive  
5 not less than 15 percent of the institution’s rev-  
6 enues from sources other than Federal funds,  
7 as calculated in accordance with subparagraphs  
8 (B) and (C).

9 “(B) FEDERAL FUNDS.—In this para-  
10 graph, the term ‘Federal funds’ means any  
11 Federal financial assistance provided, under  
12 this Act or any other Federal law, through a  
13 grant, contract, subsidy, loan, guarantee, insur-  
14 ance, or other means to a proprietary institu-  
15 tion, including Federal financial assistance that  
16 is disbursed or delivered to an institution or on  
17 behalf of a student or to a student to be used  
18 to attend the institution, except that such term  
19 shall not include any monthly housing stipend  
20 provided under chapter 33 of title 38, United  
21 States Code.

22 “(C) CALCULATION OF REVENUE.—In  
23 making calculations under subparagraph (A),  
24 an institution of higher education shall—

25 “(i) use the cash basis of accounting;

1 “(ii) consider as revenue only those  
2 funds generated by the institution from—

3 “(I) tuition, fees, and other insti-  
4 tutional charges for students enrolled  
5 in programs eligible for assistance  
6 under title IV;

7 “(II) activities conducted by the  
8 institution that are necessary for the  
9 education and training of the institu-  
10 tion’s students, if such activities are—

11 “(aa) conducted on campus  
12 or at a facility under the control  
13 of the institution;

14 “(bb) performed under the  
15 supervision of a member of the  
16 institution’s faculty; and

17 “(cc) required to be per-  
18 formed by all students in a spe-  
19 cific educational program at the  
20 institution; and

21 “(III) a contractual arrangement  
22 with a Federal agency for the purpose  
23 of providing job training to low-in-  
24 come individuals who are in need of  
25 such training;

1 “(iii) presume that any Federal funds  
2 that are disbursed or delivered to an insti-  
3 tution on behalf of a student or directly to  
4 a student will be used to pay the student’s  
5 tuition, fees, or other institutional charges,  
6 regardless of whether the institution cred-  
7 its such funds to the student’s account or  
8 pays such funds directly to the student, ex-  
9 cept to the extent that the student’s tui-  
10 tion, fees, or other institutional charges are  
11 satisfied by—

12 “(I) grant funds provided by an  
13 outside source that—

14 “(aa) has no affiliation with  
15 the institution; and

16 “(bb) shares no employees  
17 with the institution; and

18 “(II) institutional scholarships  
19 described in clause (v);

20 “(iv) include no loans made by an in-  
21 stitution of higher education as revenue to  
22 the school, except for payments made by  
23 students on such loans;

24 “(v) include a scholarship provided by  
25 the institution—

1 “(I) only if the scholarship is in  
2 the form of monetary aid based upon  
3 the academic achievements or finan-  
4 cial need of students, disbursed to  
5 qualified student recipients during  
6 each fiscal year from an established  
7 restricted account; and

8 “(II) only to the extent that  
9 funds in that account represent des-  
10 ignated funds, or income earned on  
11 such funds, from an outside source  
12 that—

13 “(aa) has no affiliation with  
14 the institution; and

15 “(bb) shares no employees  
16 with the institution; and

17 “(vi) exclude from revenues—

18 “(I) the amount of funds the in-  
19 stitution received under part C of title  
20 IV, unless the institution used those  
21 funds to pay a student’s institutional  
22 charges;

23 “(II) the amount of funds the in-  
24 stitution received under subpart 4 of  
25 part A of title IV;

1 “(III) the amount of funds pro-  
2 vided by the institution as matching  
3 funds for any Federal program;

4 “(IV) the amount of Federal  
5 funds provided to the institution to  
6 pay institutional charges for a student  
7 that were refunded or returned; and

8 “(V) the amount charged for  
9 books, supplies, and equipment, unless  
10 the institution includes that amount  
11 as tuition, fees, or other institutional  
12 charges.

13 “(D) REPORT TO CONGRESS.—Not later  
14 than July 1, 2015, and by July 1 of each suc-  
15 ceeding year, the Secretary shall submit to the  
16 authorizing committees a report that contains,  
17 for each proprietary institution of higher edu-  
18 cation that receives assistance under title IV  
19 and as provided in the audited financial state-  
20 ments submitted to the Secretary by each insti-  
21 tution pursuant to the requirements of section  
22 487(c)—

23 “(i) the amount and percentage of  
24 such institution’s revenues received from  
25 Federal funds; and

1                   “(ii) the amount and percentage of  
 2                   such institution’s revenues received from  
 3                   other sources.”.

4 **SEC. 103. DEFINITIONS.**

5       Section 103 (20 U.S.C. 1003) is amended—

6           (1) by redesignating paragraphs (4) through  
 7           (9), (10) through (14), and (15) through (24), as  
 8           paragraphs (5) through (10), (13) through (17), and  
 9           (20) through (28), respectively;

10          (2) by inserting after paragraph (3) the fol-  
 11          lowing:

12               “(4) **DEFAULT MANIPULATION.**—The term ‘de-  
 13          fault manipulation’ means engaging in a device or  
 14          practice, such as branching, consolidation of cam-  
 15          puses, consolidation or manipulation of the identi-  
 16          fication codes used by the Office of Postsecondary  
 17          Education to designate campuses and institutions,  
 18          change of ownership or control, serial forbearance,  
 19          or any similar device or practice (as determined by  
 20          the Secretary) when, but for the device or practice,  
 21          one or more campuses of an institution of higher  
 22          education would be at risk of cohort default rate  
 23          sanctions under section 435 or student default risk  
 24          sanctions under section 489A.”;

(3) by inserting after paragraph (10), as redesignated by paragraph (1), the following:

“(11) FEDERAL EDUCATIONAL ASSISTANCE FUNDS.—The term ‘Federal educational assistance funds’ means funds provided directly to an institution or to a student attending such institution under any of the following provisions of law:

“(A) Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

“(B) Chapter 30, 31, 32, 33, 34, or 35 of title 38, United States Code.

“(C) Chapter 101, 105, 106A, 1606, 1607, or 1608 of title 10, United States Code.

“(D) Section 1784a, 2005, or 2007 of title 10, United States Code.

“(E) Title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) or title I of the Workforce Innovation and Opportunity Act (Public Law 113–128).

“(F) The Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.).

“(12) FOSTER CARE CHILDREN AND YOUTH.—The term ‘foster care children and youth’—

“(A) means children and youth whose care and placement is the responsibility of the State

1 or Tribal agency that administers a State plan  
 2 under part B or E of title IV of the Social Se-  
 3 curity Act (42 U.S.C. 621 et seq. and 670 et  
 4 seq.), without regard to whether foster care  
 5 maintenance payments are made under section  
 6 472 of such Act (42 U.S.C. 672) on behalf of  
 7 the child or youth; and

8 “(B) includes individuals whose care and  
 9 placement was the responsibility of the State or  
 10 Tribal agency that administers a State plan  
 11 under part B or E of title IV of the Social Se-  
 12 curity Act (42 U.S.C. 621 et seq. and 670 et  
 13 seq.) when they were age 13 or older but are  
 14 no longer under the care and responsibility of  
 15 the State or tribal agency.”;

16 (4) by inserting after paragraph (17), as reded-  
 17 icated by paragraph (1), the following:

18 “(18) RECRUITING AND MARKETING ACTIV-  
 19 ITY.—

20 “(A) IN GENERAL.—Except as provided in  
 21 subparagraph (B), the term ‘recruiting and  
 22 marketing activity’ means an activity that con-  
 23 sists of the following:

24 “(i) Any advertising or promotion ac-  
 25 tivity, including a paid announcement in

1 newspapers, magazines, radio, television,  
2 billboards, electronic media, naming rights,  
3 or any other public medium of communica-  
4 tion, including paying for a display or pro-  
5 motion at a job fair, military installation,  
6 or postsecondary education recruiting  
7 event.

8 “(ii) Any effort to identify and attract  
9 prospective students, directly or through a  
10 contractor or other third party, which shall  
11 include any contact concerning a prospec-  
12 tive student’s potential enrollment or appli-  
13 cation for grant, loan, or work assistance  
14 under title IV or participation in  
15 preadmission or advising activities, includ-  
16 ing—

17 “(I) paying employees responsible  
18 for overseeing enrollment and for con-  
19 tacting potential students in person,  
20 by phone, by email, by internet com-  
21 munications, or by other means, re-  
22 garding enrollment;

23 “(II) compensating a person to  
24 provide to an institution of higher  
25 education contact information regard-

1 ing prospective students, including in-  
 2 formation obtained through websites  
 3 established for such purpose; and

4 “(III) providing funds to a third  
 5 party to create or maintain a website  
 6 for the purpose of obtaining contact  
 7 information regarding prospective stu-  
 8 dents.

9 “(iii) Any other activity as the Sec-  
 10 retary may determine, including paying for  
 11 promotion or sponsorship of education or  
 12 military-related associations.

13 “(B) EXCEPTION.—An activity that is re-  
 14 quired as a condition of receipt of funds by an  
 15 institution under title IV, or under another ap-  
 16 plicable Federal law, shall not be considered to  
 17 be a recruiting and marketing activity under  
 18 subparagraph (A).

19 “(19) PRIVATE EDUCATION LOAN.—The term  
 20 ‘private education loan’ has the meaning given the  
 21 term in section 140(a) of the Truth in Lending Act  
 22 (15 U.S.C. 1650(a)).”; and

23 (5) in paragraph (28), as redesignated by para-  
 24 graph (1)—

1 (A) in the matter before subparagraph (A),  
 2 by striking “scientifically valid” and inserting  
 3 “research-based”; and

4 (B) in subparagraph (B), by striking “all  
 5 students, including students with disabilities  
 6 and students who are limited English pro-  
 7 ficient.” and inserting “all students.”.

8 **SEC. 104. AUTHORIZATION OF APPROPRIATIONS FOR DRUG**  
 9 **AND ALCOHOL ABUSE PREVENTION.**

10 Section 120(e)(5) (20 U.S.C. 1011i(e)(5)) is amend-  
 11 ed by striking “2009” and inserting “2015”.

12 **SEC. 105. MANDATORY FINANCIAL AID AWARD LETTER.**

13 Part B of title I (20 U.S.C. 1011 et seq.) is amended  
 14 by adding at the end the following:

15 **“SEC. 124. USE OF MANDATORY FINANCIAL AID AWARD**  
 16 **LETTER.**

17 “(a) IN GENERAL.—Notwithstanding any other pro-  
 18 vision of law, each institution of higher education that par-  
 19 ticipates in any program under title IV shall use the finan-  
 20 cial aid award letter developed under section 483B in pro-  
 21 viding written or electronic financial aid offers to students  
 22 enrolled in, or accepted for enrollment in, the institution.

23 “(b) EFFECTIVE DATE.—The requirement under  
 24 subsection (a) shall take effect 12 months after the Sec-

1 retary finalizes the financial aid award letter developed  
2 under section 483B.”.

3 **SEC. 106. CODE OF CONDUCT IN AFFILIATED CONSUMER**  
4 **FINANCIAL PRODUCTS OR SERVICES.**

5 Part B of title I (20 U.S.C. 1011 et seq.), as amend-  
6 ed by section 105, is further amended by adding at the  
7 end the following:

8 **“SEC. 125. CODE OF CONDUCT IN AFFILIATED CONSUMER**  
9 **FINANCIAL PRODUCTS OR SERVICES.**

10 “(a) DEFINITIONS.—In this section:

11 “(1) AFFILIATED.—

12 “(A) IN GENERAL.—The term ‘affiliated’,  
13 when used with respect to a consumer financial  
14 product or service and an institution of higher  
15 education, means an association between such  
16 institution and product or service resulting  
17 from—

18 “(i) the name, emblem, mascot, or  
19 logo of the institution being used with re-  
20 spect to such product or service; or

21 “(ii) some other word, picture, or  
22 symbol readily identified with the institu-  
23 tion in the marketing of the consumer fi-  
24 nancial product or service in any way that

1 implies that the institution endorses the  
 2 consumer financial product or service.

3 “(B) RULE OF CONSTRUCTION.—Nothing  
 4 in subparagraph (A) shall be construed to deem  
 5 an association between an institution of higher  
 6 education and a consumer financial product or  
 7 service to be affiliated if such association is  
 8 solely based on an advertisement by a financial  
 9 institution that is delivered to a wide and gen-  
 10 eral audience consisting of more than enrolled  
 11 students at the institution of higher education.

12 “(2) ASSOCIATED INDIVIDUAL.—The term ‘as-  
 13 sociated individual’, when used with respect to an in-  
 14 stitution of higher education, means an individual  
 15 who is—

16 “(A) an officer of such institution of high-  
 17 er education;

18 “(B) an employee or agent of the institu-  
 19 tion of higher education who is involved in the  
 20 contracting, approval, analysis, or decision-  
 21 making process for an affiliated consumer fi-  
 22 nancial product or service; or

23 “(C) an employee or agent of the institu-  
 24 tion of higher education involved in the mar-

1           keting or solicitation process pertaining to an  
2           affiliated consumer financial product or service.

3           “(3) CONSUMER FINANCIAL PRODUCT OR SERV-  
4           ICE.—The term ‘consumer financial product or serv-  
5           ice’ has the meaning given the term in section 1002  
6           of the Consumer Financial Protection Act of 2010  
7           (12 U.S.C. 5481).

8           “(4) FINANCIAL INSTITUTION.—The term ‘fi-  
9           nancial institution’ has the meaning given the term  
10          in section 140B of the Truth in Lending Act.

11          “(5) INSTITUTION OF HIGHER EDUCATION.—  
12          The term ‘institution of higher education’ means an  
13          institution of higher education as defined in section  
14          102.

15          “(b) CODE OF CONDUCT.—Notwithstanding any  
16          other provision of law, no institution of higher education  
17          that is affiliated with a consumer financial product or  
18          service shall be eligible to receive funds or any other form  
19          of financial assistance under this Act, unless the institu-  
20          tion—

21                 “(1) develops a code of conduct with respect to  
22          affiliated consumer financial products or services  
23          with which associated individuals shall comply  
24          that—

1           “(A) prohibits a conflict of interest with  
 2           the responsibility of an associated individual  
 3           with respect to such affiliated consumer finan-  
 4           cial product or services;

5           “(B) requires each associated individual to  
 6           act in the best interest of the students enrolled  
 7           at the institution of higher education in car-  
 8           rying out their duties; and

9           “(C) at a minimum, is aligned with the re-  
 10          quirements and prohibitions described under  
 11          subsections (c) through (g);

12          “(2) publishes such code of conduct promi-  
 13          nently on the institution’s website; and

14          “(3) administers and enforces such code by, at  
 15          a minimum, requiring that all of the institution’s as-  
 16          sociated individuals be annually informed of the pro-  
 17          visions of the code of conduct.

18          “(c) BAN ON REVENUE-SHARING ARRANGEMENTS.—

19                 “(1) PROHIBITION.—An institution of higher  
 20          education that is affiliated with a consumer financial  
 21          product or service shall not enter into any revenue-  
 22          sharing arrangement with the financial institution.

23                 “(2) DEFINITION.—In this subsection, the term  
 24          ‘revenue-sharing arrangement’—

1           “(A) means an arrangement between an  
2 institution of higher education and a financial  
3 institution under which—

4           “(i) the financial institution provides  
5 or issues a consumer financial product or  
6 service to students attending the institu-  
7 tion of higher education;

8           “(ii) the institution of higher edu-  
9 cation recommends, promotes, sponsors, or  
10 otherwise endorses the financial institution,  
11 or the consumer financial products or serv-  
12 ices offered by the financial institution;  
13 and

14           “(iii) the financial institution pays a  
15 fee or provides other material benefits, in-  
16 cluding revenue or profit sharing, to the  
17 institution of higher education in connec-  
18 tion with the consumer financial products  
19 or services provided to students of the in-  
20 stitution of higher education; and

21           “(B) does not include an arrangement  
22 solely based on a financial institution paying a  
23 fair market price to an institution of higher  
24 education for the institution of higher education

1 to advertise or market the financial institution  
 2 to the general public.

3 “(d) GIFT BAN.—

4 “(1) PROHIBITION.—No associated individual  
 5 of an institution of higher education shall solicit or  
 6 accept any gift from a financial institution that has  
 7 a consumer financial product or service with which  
 8 the institution is affiliated.

9 “(2) DEFINITION OF GIFT.—

10 “(A) IN GENERAL.—In this subsection, the  
 11 term ‘gift’ means any gratuity, favor, discount,  
 12 entertainment, hospitality, loan, or other item  
 13 having a monetary value of more than a de  
 14 minimis amount. The term includes a gift of  
 15 services, transportation, lodging, or meals,  
 16 whether provided in kind, by purchase of a tick-  
 17 et, payment in advance, or reimbursement after  
 18 the expense has been incurred.

19 “(B) EXCEPTIONS.—The term ‘gift’ shall  
 20 not include any of the following:

21 “(i) Standard material, activities, or  
 22 programs on issues related to a consumer  
 23 financial product or service or financial lit-  
 24 eracy, such as a brochure, a workshop, or  
 25 training. Such material, training, or pro-

1           gram shall not promote a product or serv-  
2           ice of any specific financial institution.

3           “(ii) Food, refreshments, training, or  
4           informational material furnished to an as-  
5           sociated individual as an integral part of a  
6           training session that is designed to im-  
7           prove the service of a financial institution  
8           to the institution of higher education, if  
9           such training contributes to the profes-  
10          sional development of the associated indi-  
11          vidual.

12          “(iii) Favorable terms, conditions, and  
13          borrower benefits on a consumer financial  
14          product or service provided to all employ-  
15          ees of the institution of higher education if  
16          such terms, conditions, or benefits are  
17          comparable to those provided to all stu-  
18          dents of the institution.

19          “(iv) Philanthropic contributions to  
20          an institution of higher education from a  
21          financial institution that are unrelated to  
22          the affiliated consumer financial product or  
23          service or the financial institution in gen-  
24          eral or any contribution from the financial  
25          institution that is not made in exchange

1                   for any advantage related to the financial  
2                   institution.

3                   “(C) RULE FOR GIFTS TO FAMILY MEM-  
4                   BERS.—For purposes of this subsection, a gift  
5                   to a family member of an associated individual  
6                   of an institution of higher education shall be  
7                   considered a gift to the associated individual  
8                   if—

9                   “(i) the gift is given with the knowl-  
10                  edge and acquiescence of the associated in-  
11                  dividual; and

12                  “(ii) the associated individual has rea-  
13                  son to believe the gift was given because of  
14                  the official position of the associated indi-  
15                  vidual.

16                  “(e) CONTRACTING ARRANGEMENTS PROHIBITED.—

17                  “(1) PROHIBITION.—No associated individual  
18                  of an institution of higher education shall accept  
19                  from a financial institution that has a consumer fi-  
20                  nancial product or service with which the institution  
21                  is affiliated a fee, payment, or other financial benefit  
22                  (including the opportunity to purchase stock) as  
23                  compensation for any type of consulting arrange-  
24                  ment or other contract to provide services to the fi-

1        nancial institution or on behalf of the financial insti-  
 2        tution.

3            “(2) RULE OF CONSTRUCTION.—Nothing in  
 4        this subsection shall be construed as prohibiting the  
 5        conduct of an individual who is not an associated in-  
 6        dividual.

7            “(f) BAN ON STAFFING ASSISTANCE.—An institution  
 8        of higher education shall not request or accept from a fi-  
 9        nancial institution with which the institution has an affili-  
 10       ated consumer financial product or service any assistance  
 11       with call center staffing, financial aid office staffing, or  
 12       any other office or department of the institution of higher  
 13       education.

14          “(g) ADVISORY BOARD COMPENSATION.—Any asso-  
 15       ciated individual of an institution of higher education who  
 16       serves on an advisory board, commission, or group estab-  
 17       lished by a financial institution that has a consumer finan-  
 18       cial product or service with which the institution is affili-  
 19       ated shall be prohibited from receiving anything of value  
 20       from the financial institution, except that the individual  
 21       may be reimbursed for reasonable expenses incurred in  
 22       serving on such advisory board, commission, or group.”.

1 **SEC. 107. RESTRICTION ON MARKETING WITH FEDERAL**  
 2 **EDUCATIONAL ASSISTANCE FUNDS.**

3 (a) TRANSFER.—Section 119 of the Higher Edu-  
 4 cation Opportunity Act (20 U.S.C. 1011m) is amended—

5 (1) by transferring such section so as to follow  
 6 section 125 of the Higher Education Act of 1965, as  
 7 added by section 106; and

8 (2) by redesignating such section as section 126  
 9 of the Higher Education Act of 1965.

10 (b) AMENDMENTS.—Section 126, as transferred and  
 11 redesignated by subsection (a), is further amended—

12 (1) in the section heading, by inserting “**AND**  
 13 **RESTRICTIONS ON SOURCES OF FUNDS FOR**  
 14 **RECRUITING AND MARKETING ACTIVITIES**”  
 15 after “**FUNDS**”;

16 (2) in subsection (d), by striking “subsections  
 17 (a) through (c)” and inserting “subsections (a), (b),  
 18 (c), and (e)”;

19 (3) by redesignating subsection (e) as sub-  
 20 section (f);

21 (4) by inserting after subsection (d) the fol-  
 22 lowing:

23 “(e) RESTRICTIONS ON SOURCES OF FUNDS FOR RE-  
 24 CRUITING AND MARKETING ACTIVITIES.—

25 “(1) IN GENERAL.—An institution of higher  
 26 education, or other postsecondary educational insti-

1       tution, may not use revenues derived from Federal  
2       educational assistance funds for recruiting or mar-  
3       keting activities.

4           “(2) RULE OF CONSTRUCTION.—Nothing in  
5       this section shall be construed as a limitation on the  
6       use by an institution of revenues derived from  
7       sources other than Federal educational assistance  
8       funds.

9           “(3) REPORTING.—Each institution of higher  
10      education, or other postsecondary educational insti-  
11      tution, that receives revenues derived from Federal  
12      educational assistance funds shall report annually to  
13      the Secretary and to Congress the institution’s ex-  
14      penditures on advertising, marketing, and recruiting,  
15      and shall include in such report a verification from  
16      an independent auditor that the institution of higher  
17      education is in compliance with the requirement  
18      under paragraph (1).”;

19           (5) by striking “the Higher Education Act of  
20      1965 (20 U.S.C. 1001 et seq.)” each place the term  
21      appears and inserting “this Act”; and

22           (6) by striking “Secretary of Education” each  
23      place the term appears and inserting “Secretary”.

1 **SEC. 108. MINIMUM STANDARDS FOR NET PRICE CALCULA-**  
 2 **TORS.**

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

4 (1) by redesignating paragraph (4) as para-  
 5 graph (6);

6 (2) in paragraph (2), by inserting before the pe-  
 7 riod “, and, not later than 1 year after the date of  
 8 enactment of the Higher Education Affordability  
 9 Act, shall meet the requirements of paragraph  
 10 (4)(B)”;

11 (3) in paragraph (3), by inserting after the first  
 12 sentence the following: “Not later than 1 year after  
 13 the date of enactment of the Higher Education Af-  
 14 fordability Act, such calculator shall meet the re-  
 15 quirements of paragraph (4).”;

16 (4) by inserting after paragraph (3) the fol-  
 17 lowing:

18 “(4) MINIMUM REQUIREMENTS FOR NET PRICE  
 19 CALCULATORS.—Not later than 1 year after the date  
 20 of enactment of the Higher Education Affordability  
 21 Act, a net price calculator for an institution of high-  
 22 er education shall, at a minimum, meet the following  
 23 requirements:

24 “(A) The link for the calculator—

25 “(i) is clearly labeled as a ‘net price  
 26 calculator’ and is prominently and clearly

1 posted in locations on the institution's  
 2 website where information on costs and aid  
 3 is provided; and

4 “(ii) may also be included on the in-  
 5 stitution's compliance webpage, which con-  
 6 tains information relating to compliance  
 7 with Federal, State, and local laws.

8 “(B) The results screen for the calculator  
 9 specifies the following information:

10 “(i) The net price (as calculated  
 11 under subsection (h)(2)) for the individual  
 12 student, which is the most visually promi-  
 13 nent figure on the results screen.

14 “(ii) Cost of attendance for the insti-  
 15 tution, including—

16 “(I) tuition and fees;

17 “(II) the average annual cost of  
 18 room and board for the institution for  
 19 a first-time, full-time undergraduate  
 20 student enrolled in the institution;

21 “(III) the average annual cost of  
 22 books and supplies for a first-time,  
 23 full-time undergraduate student en-  
 24 rolled in the institution; and

1 “(IV) the estimated cost of other  
2 expenses (including personal expenses  
3 and transportation) for a first-time,  
4 full-time undergraduate student en-  
5 rolled in the institution.

6 “(iii) Estimated amount of need-based  
7 grant aid and merit-based grant aid, from  
8 Federal, State, and institutional sources,  
9 that students receive at the institution,  
10 showing the subtotal for each category and  
11 the total for all sources of grant aid.

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

16 “(v) The disclaimer described in para-  
17 graph (6).

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

20 “(I) includes questions to esti-  
21 mate a student’s (or prospective stu-  
22 dent’s) eligibility for veterans’ edu-  
23 cation benefits (as defined in section  
24 480) or educational benefits for active  
25 duty service members, such benefits

1 are displayed on the results screen in  
 2 a manner that clearly distinguishes  
 3 them from the grant aid described in  
 4 clause (iii); or

5 “(II) does not include questions  
 6 to estimate eligibility for the benefits  
 7 described in subclause (I), the results  
 8 screen indicates that certain students  
 9 (or prospective students) may qualify  
 10 for such benefits and includes a link  
 11 to official Federal information about  
 12 such benefits.

13 “(C) The institution populates the calcu-  
 14 lator with data from no earlier than 2 academic  
 15 years prior to the most recent academic year.

16 “(5) PRIVACY REQUIREMENTS AND DISCLO-  
 17 SURES.—

18 “(A) PRIVACY REQUIREMENTS.—An insti-  
 19 tution of higher education—

20 “(i) shall carry out this subsection in  
 21 a manner that complies with the require-  
 22 ments of section 444 of the General Edu-  
 23 cation Provisions Act (commonly known as  
 24 the ‘Family Educational Rights and Pri-  
 25 vacy Act of 1974’) (20 U.S.C. 1232g); and

1 “(ii) shall not—

2 “(I) allow any personal informa-  
3 tion, voluntarily provided by users for  
4 the net price calculator for the institu-  
5 tion to be sold or made available to  
6 third parties;

7 “(II) store any responses made  
8 by users through the net price calcu-  
9 lator;

10 “(III) require that a user provide  
11 any personally identifiable information  
12 in order to use the net price calcu-  
13 lator.

14 “(B) PRIVACY DISCLOSURES.—A net price  
15 calculator shall—

16 “(i) clearly indicate which questions  
17 are required to be completed for an esti-  
18 mate of the net price from the calculator;

19 “(ii) in the case of a calculator that  
20 requests contact information from users,  
21 clearly mark such requests as ‘optional’;

22 “(iii) clearly state ‘Any information  
23 that you provide on this site is confiden-  
24 tial. The Net Price Calculator does not re-  
25 quire personally identifiable information of

1           any kind and does not store your re-  
2           sponses.’; and

3           “(iv) be established, maintained, and  
4           operated in a manner that is in compliance  
5           with the requirements of section 444 of the  
6           General Education Provisions Act (com-  
7           monly known as the ‘Family Educational  
8           Rights and Privacy Act of 1974’) (20  
9           U.S.C. 1232g)”); and

10          (5) by adding at the end the following:

11          “(7) UNIVERSAL NET PRICE CALCULATOR.—  
12          Not later than 2 years after the date of enactment  
13          of the Higher Education Affordability Act, the Sec-  
14          retary shall develop a universal net price calculator  
15          that—

16               “(A) enables users to answer one set of  
17               questions and receive net prices for any institu-  
18               tion that is required to have a net price calcu-  
19               lator under this subsection;

20               “(B) provides the information required  
21               under subparagraphs (B) and (C) of paragraph  
22               (4) for each institution for which a net price is  
23               being sought;

24               “(C) is developed in consultation with—

1 “(i) the heads of relevant Federal  
2 agencies;

3 “(ii) representatives of institutions of  
4 higher education, nonprofit consumer  
5 groups, and secondary and postsecondary  
6 students; and

7 “(iii) secondary school and postsec-  
8 ondary guidance counselors;

9 “(D) before being finalized and publicly re-  
10 leased, is tested in accordance with the con-  
11 sumer testing process described in section  
12 483C; and

13 “(E) complies with the privacy require-  
14 ments described in paragraph (5).

15 “(8) REPORT FROM SECRETARY.—Not later  
16 than 2 years after the date of enactment of the  
17 Higher Education Affordability Act, the Secretary  
18 shall submit a report to Congress on—

19 “(A) steps taken to raise awareness of net  
20 price calculators among prospective students  
21 and families, particularly among students in  
22 middle school and high school and students  
23 from low-income families;

24 “(B) how institutions are complying with  
25 the requirements of this subsection, including

1 an analysis of where institutions are placing the  
2 net price calculators on their websites and the  
3 design of the net price calculators by institu-  
4 tions; and

5 “(C) an analysis of how students are bene-  
6 fitting from the use of net price calculators.

7 “(9) WEBSITE LINK.—The Secretary shall en-  
8 sure that a link to the website containing the net  
9 price calculator and the universal net price calcu-  
10 lator (once the universal net price calculator has  
11 been developed) is available on each of the following  
12 websites:

13 “(A) The College Navigator website de-  
14 scribed under subsection (i).

15 “(B) The College Scorecard website de-  
16 scribed under section 133.

17 “(C) The website of the College Afford-  
18 ability and Transparency Center.

19 “(D) The website of the Office of Federal  
20 Student Aid.”.

21 **SEC. 109. BENEFITS FOR BORROWERS WHO ARE MEMBERS**  
22 **OF THE ARMED FORCES.**

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

1       “(f) BENEFITS FOR MEMBERS OF THE ARMED  
2 FORCES.—

3               “(1) WEBSITE.—

4                       “(A) IN GENERAL.—The Secretary, in co-  
5 ordination with the Secretary of Defense, the  
6 Secretary of Veterans Affairs, and the Sec-  
7 retary of Homeland Security, shall create a re-  
8 vised and updated searchable Internet website  
9 that—

10                               “(i) contains information, in simple  
11 and understandable terms, about all Fed-  
12 eral and State student financial assistance,  
13 readmission requirements under section  
14 484C, and other student services, for  
15 which members of the Armed Forces (in-  
16 cluding members of the National Guard  
17 and Reserves), veterans, and the depend-  
18 ents of such members or veterans may be  
19 eligible; and

20                               “(ii) is easily accessible through the  
21 Internet website described in subsection  
22 (e)(3).

23               “(B) IMPLEMENTATION.—Not later than 1  
24 year after the date of enactment of the Higher  
25 Education Affordability Act, the Secretary shall

1 make publicly available the revised and updated  
2 Internet website described in subparagraph (A).

3 “(C) DISSEMINATION.—The Secretary, in  
4 coordination with the Secretary of Defense and  
5 the Secretary of Veterans Affairs, shall make  
6 the availability of the Internet website described  
7 in subparagraph (A) widely known to members  
8 of the Armed Forces (including members of the  
9 National Guard and Reserves), veterans, the  
10 dependents of such members or veterans,  
11 States, institutions of higher education, and the  
12 general public.

13 “(D) DEFINITION.—In this paragraph, the  
14 term ‘Federal and State student financial as-  
15 sistance’ means any grant, loan, work assist-  
16 ance, tuition assistance, scholarship, fellowship,  
17 or other form of financial aid for pursuing a  
18 postsecondary education that is—

19 “(i) administered, sponsored, or sup-  
20 ported by the Department of Education,  
21 the Department of Defense, the Depart-  
22 ment of Veterans Affairs, or a State; and

23 “(ii) available to members of the  
24 Armed Forces (including members of the  
25 National Guard and Reserves), veterans,

1 or the dependents of such members or vet-  
2 erans.

3 “(2) ENROLLMENT FORM.—

4 “(A) IN GENERAL.—The Secretary, in con-  
5 sultation with the Director of the Bureau of  
6 Consumer Financial Protection, the Secretary  
7 of Defense, and the heads of any other relevant  
8 Federal agencies, shall create a simplified dis-  
9 closure and enrollment form for borrowers who  
10 are performing eligible military service (as de-  
11 fined in section 481(d)).

12 “(B) CONTENTS.—The disclosure and en-  
13 rollment form described in subparagraph (A)  
14 shall include—

15 “(i) information about the benefits  
16 and protections under title IV and under  
17 the Servicemembers Civil Relief Act (50  
18 U.S.C. App. 501 et seq.) that are available  
19 to such borrower because the borrower is  
20 performing eligible military service; and

21 “(ii) an opportunity for the borrower,  
22 by completing the enrollment form, to in-  
23 voke certain protections, activate certain  
24 benefits, and enroll in certain programs

1           that may be available to that borrower,  
2           which shall include the opportunity—

3                   “(I) to invoke applicable protec-  
4                   tions that are available under the  
5                   Servicemembers Civil Relief Act (50  
6                   U.S.C. App. 501 et seq.), as such pro-  
7                   tections relate to Federal student  
8                   loans under title IV; and

9                   “(II) to activate or enroll in any  
10                  other applicable benefits that are  
11                  available to such borrower under this  
12                  Act because the borrower is per-  
13                  forming eligible military service, such  
14                  as eligibility for a deferment or eligi-  
15                  bility for a period during which inter-  
16                  est shall not accrue.

17                  “(C) IMPLEMENTATION.—Not later than  
18                  365 days after the date of the enactment of the  
19                  Higher Education Affordability Act, the Sec-  
20                  retary shall make available to eligible institu-  
21                  tions, eligible lenders, and personnel at the De-  
22                  partment of Defense and other Federal agencies  
23                  that provide services to borrowers who are  
24                  members of the Armed Forces or the depend-

1           ents of such members, the disclosure and enroll-  
 2           ment form described in subparagraph (A).

3           “(D) NOTICE REQUIREMENTS.—

4           “(i) SCRA INTEREST RATE LIMITA-  
 5           TION.—The completion of the disclosure  
 6           and enrollment form created pursuant to  
 7           subparagraph (A) by the borrower of a  
 8           loan made, insured, or guaranteed under  
 9           part B or part D of title IV who is other-  
 10          wise subject to the interest rate limitation  
 11          in subsection (a) of section 207 of the  
 12          Servicemembers Civil Relief Act (50 U.S.C.  
 13          App. 527(a)) and submittal of such form  
 14          to the Secretary shall be considered, for  
 15          purposes of such section, provision to the  
 16          creditor of written notice as described in  
 17          subsection (b)(1) of such section.

18          “(ii) FFEL LENDERS.—The Sec-  
 19          retary shall provide each such disclosure  
 20          and enrollment form completed and sub-  
 21          mitted by a borrower of a loan made, in-  
 22          sured, or guaranteed under part B of title  
 23          IV who is otherwise subject to the interest  
 24          rate limitation in subsection (a) of section  
 25          207 of the Servicemembers Civil Relief Act

1 (50 U.S.C. App. 527(a)) to any applicable  
 2 eligible lender under part B of title IV so  
 3 as to satisfy the provision to the lender of  
 4 written notice as described in subsection  
 5 (b)(1) of such section.”.

6 **SEC. 110. DATA IMPROVEMENTS FOR COLLEGE NAVI-**  
 7 **GATOR.**

8 Section 132(i)(1) (20 U.S.C. 1015(i)(1)) is amended  
 9 by striking subparagraph (M) and inserting the following:

10 “(M) The student faculty ratio, the num-  
 11 ber of full-time faculty, the ratio of the number  
 12 of course sections taught by part-time instruc-  
 13 tors to the number of course sections taught by  
 14 full-time faculty, the mean and median years of  
 15 employment for part-time instructors, and the  
 16 number of graduate assistants with primarily  
 17 instructional responsibilities, at the institu-  
 18 tion.”.

19 **SEC. 111. COLLEGE SCORECARD.**

20 Part C of title I (20 U.S.C. 1015 et seq.) is amend-  
 21 ed—

22 (1) by redesignating sections 133 through 137  
 23 as sections 134 through 138, respectively; and

24 (2) by inserting after section 132 the following:

1   **“SEC. 133. COLLEGE SCORECARD.**

2       “(a) DEFINITIONS.—In this section:

3           “(1) COLLEGE SCORECARD.—The term ‘College  
4       Scorecard’ refers to the College Scorecard website  
5       developed and operated by the Department under  
6       subsection (b) and any successor website.

7           “(2) INSTITUTION OF HIGHER EDUCATION.—  
8       The term ‘institution of higher education’ means an  
9       institution of higher education, as defined in section  
10      102, that awards a degree or certificate.

11          “(3) RECENT GRADUATE.—The term ‘recent  
12      graduate’, when used in reference to a graduate of  
13      an institution of higher education, shall mean a stu-  
14      dent who completed a course of study and earned a  
15      certificate or degree at the institution in any of the  
16      6 most recent preceding years for which data are  
17      available.

18          “(b) IN GENERAL.—The Secretary shall develop and  
19      make publicly available a College Scorecard website to pro-  
20      vide students and families with information regarding  
21      higher education affordability and value for each institu-  
22      tion of higher education that receives funds under title IV.

23          “(c) STANDARD FORMAT.—

24           “(1) IN GENERAL.—The Secretary, in consulta-  
25      tion with the heads of relevant Federal agencies,  
26      shall develop a standard format to be used by the

1 Secretary for public disclosure of information related  
 2 to higher education affordability and value, including  
 3 the information described in subsections (d) and (e).

4 “(2) RECOMMENDATIONS FROM OTHER  
 5 GROUPS.—The standard format developed under  
 6 paragraph (1) shall be based on recommendations  
 7 from representatives of secondary school students  
 8 and postsecondary students, the families of sec-  
 9 ondary school and postsecondary students, institu-  
 10 tions of higher education, secondary school and post-  
 11 secondary education counselors, and nonprofit con-  
 12 sumer groups.

13 “(3) SOURCES OF DATA.—The data used in the  
 14 standard format shall be data that are available to  
 15 the Secretary through other sources and reports.

16 “(d) KEY REQUIRED CONTENTS.—The standard for-  
 17 mat developed under subsection (c) shall include, in a con-  
 18 sumer-friendly manner that is simple and understandable,  
 19 the following information for each degree- and certificate-  
 20 granting institution of higher education that receives  
 21 funds under title IV for the most recent year for which  
 22 data are available:

23 “(1) NET PRICE INFORMATION.—

24 “(A) The average net price paid by en-  
 25 rolled students to attend the institution, cal-

culated in a manner consistent with section 132(a)(3), for the subgroups of students at the institution in each of the following annual family income categories, and the percentage of students in each category:

“(i) \$0 to \$30,000.

“(ii) \$30,001 to \$48,000.

“(iii) \$48,001 to \$75,000.

“(iv) \$75,001 to \$110,000.

“(v) \$110,001 and more.

“(B) A visual representation that provides context for the information conveyed under subparagraph (A), including how the net price information compares to other institutions.

“(C) The Commissioner of the National Center for Education Statistics may periodically adjust the annual family income categories described under subparagraph (A).

“(2) COMPLETION AND TRANSFER DATA.—

“(A) For each institution, the percentages of certificate- or degree-seeking undergraduate students enrolled at the institution who obtain a certificate or degree within—

1 “(i) 100 percent of the normal time  
2 for completion of, or graduation from, the  
3 student’s educational program; and

4 “(ii) 150 percent of the normal time  
5 for completion of, or graduation from, the  
6 student’s educational program.

7 “(B) For each institution, the percentages  
8 of certificate- or degree-seeking undergraduate  
9 students enrolled at the institution—

10 “(i) who persist and remain enrolled  
11 in the institution from academic term to  
12 academic term; and

13 “(ii) who persist and remain enrolled  
14 in the institution from year to year.

15 “(C) For each institution, the percentages  
16 of certificate- or degree-seeking undergraduate  
17 students who have transferred to a 4-year insti-  
18 tution of higher education within—

19 “(i) 100 percent of the normal time  
20 for completion of, or graduation from, the  
21 student’s initial educational program; and

22 “(ii) 150 percent of the normal time  
23 for completion of, or graduation from, the  
24 student’s initial educational program.

1           “(D) For each institution, a visual rep-  
 2           resentation that provides context for the infor-  
 3           mation conveyed under subparagraphs (A) and  
 4           (B) and, as applicable, subparagraph (C), in-  
 5           cluding how the completion, transfer, and per-  
 6           sistence rates compare to other institutions.

7           “(3) LOAN INFORMATION.—

8           “(A) The percentage of students at the in-  
 9           stitution who have completed their certificate or  
 10          degree program and who borrowed 1 or more  
 11          loans under part B, D, or E of title IV, or pri-  
 12          vate education loans, while attending the insti-  
 13          tution.

14          “(B) The institution’s speed-based loan re-  
 15          payment rate, as calculated under section  
 16          483D(c) and the comparison information de-  
 17          scribed in section 483D(c)(4).

18          “(C) A visual representation that provides  
 19          context for the information conveyed under this  
 20          paragraph, including how the information de-  
 21          scribed in subparagraphs (A) and (B) compares  
 22          to other institutions.

23          “(4) DEBT INFORMATION.—

24          “(A) The mean and median student loan  
 25          debt, including private education loan debt, in-

1 curred by students who have earned a certifi-  
 2 cate or degree from the institution and who  
 3 borrowed student loans in the course of obtain-  
 4 ing such certificate or degree in the most recent  
 5 year for which data are available.

6 “(B) The percentage of students at the in-  
 7 stitution who have borrowed money to attend  
 8 the institution.

9 “(C) A visual representation that provides  
 10 context for the information conveyed under sub-  
 11 paragraphs (A) and (B), including how the debt  
 12 information compares to other institutions.

13 “(5) REPAYMENT INFORMATION.—

14 “(A) The expected monthly repayment  
 15 amounts for the mean and median student loan  
 16 debt described in paragraph (4), under a stand-  
 17 ard repayment plan described in section  
 18 455(d)(1)(A) based on a 10-year period.

19 “(B) A visual representation that provides  
 20 context for the information conveyed under sub-  
 21 paragraph (A), including how the repayment in-  
 22 formation compares to other similar institu-  
 23 tions.

24 “(6) TYPE OF INSTITUTION.—A specification as

25 to—

1           “(A) whether the institution of higher edu-  
 2           cation is a public, private nonprofit, or private  
 3           for-profit institution; and

4           “(B) whether the institution is a 4-year, 2-  
 5           year, or less than 2-year institution and which  
 6           degree type the institution primarily awards.

7           “(7) ADDITIONAL INFORMATION.—Any other  
 8           information the Secretary, in consultation with the  
 9           heads of relevant Federal agencies, representatives  
 10          of institutions of higher education, nonprofit con-  
 11          sumer groups, and secondary and postsecondary stu-  
 12          dents, and secondary school and postsecondary guid-  
 13          ance counselors, determines necessary so that stu-  
 14          dents and parents can make informed decisions re-  
 15          garding postsecondary education.

16          “(e) COLLEGE TUITION TRANSPARENCY INFORMA-  
 17          TION.—The standard format developed for institutions of  
 18          higher education under subsection (c) shall—

19               “(1) prominently and clearly identify if the in-  
 20               stitution has been identified under section 132(c)(1),  
 21               and the reasons for each institution’s identification;  
 22               and

23               “(2) provide a link to the webpage of the net  
 24               price calculator of the institution, as required under  
 25               section 132(h)(3).

1       “(f) ADDITIONAL REQUIREMENTS.—The standard  
 2 format developed by the Secretary under subsection (c)  
 3 shall—

4               “(1) use, for the terms described in subsection  
 5 (d), standard definitions and names that are devel-  
 6 oped by the Secretary in consultation with the heads  
 7 of relevant Federal agencies, representatives of insti-  
 8 tutions of higher education, nonprofit consumer  
 9 groups, secondary and postsecondary students, and  
 10 secondary school and higher education guidance  
 11 counselors; and

12               “(2) use standard formatting and design that  
 13 the Secretary, in consultation with the heads of rel-  
 14 evant Federal agencies, representatives of institu-  
 15 tions of higher education, nonprofit consumer  
 16 groups, secondary school students, postsecondary  
 17 students, and secondary school and higher education  
 18 guidance counselors determine are clear, understand-  
 19 able, and suitable for secondary school students.

20       “(g) CONSUMER TESTING.—The Secretary shall  
 21 carry out consumer testing for the College Scorecard in  
 22 accordance with section 483C.

23       “(h) FINAL STANDARD FORMAT AND AVAILABILITY  
 24 OF COLLEGE SCORECARD.—Not later than 60 days after

1 the conclusion of the consumer testing required under sub-  
 2 section (h), the Secretary shall—

3 “(1) submit to the authorizing committees the  
 4 final standard format for the College Scorecard and  
 5 a report describing the results of consumer testing,  
 6 including whether the Secretary added any addi-  
 7 tional items pursuant to subsection (d)(8); and

8 “(2) make the final College Scorecard, includ-  
 9 ing all information required for the standard format  
 10 under subsections (d) and (e) for all institutions of  
 11 higher education that receive funds until title IV,  
 12 publicly available through a College Scorecard  
 13 website and through a link on the following other  
 14 websites:

15 “(A) The College Navigator website de-  
 16 scribed under section 132(i).

17 “(B) The website of the College Afford-  
 18 ability and Transparency Center.

19 “(C) The website of the Office of Federal  
 20 Student Aid.

21 “(i) DISTRIBUTION OF COLLEGE SCORECARD.—Each  
 22 institution of higher education receiving funds under title  
 23 IV shall—

1           “(1) make the most recent College Scorecard  
2           for the institution publicly available on the website  
3           of the institution;

4           “(2) distribute the most recent College Score-  
5           card for the institution to prospective students and  
6           accepted students of the institution—

7                   “(A) in the same format in which the insti-  
8                   tution communicates with prospective and ac-  
9                   cepted students about applying to and enrolling  
10                  in the institution; and

11                  “(B) in a manner that allows for the stu-  
12                  dent or the family of the student to take such  
13                  information into account before applying or en-  
14                  rolling, without regard to whether the informa-  
15                  tion was requested; and

16           “(3) in the case of an institution with high stu-  
17           dent default risk that is required under section  
18           487(a)(32) to provide a student accepted for enroll-  
19           ment with a waiting period of not less than 2 weeks  
20           to consider postsecondary options, disclose to the  
21           student the College Scorecard of the institution at or  
22           before the start of such waiting period.

23           “(j) PUBLIC AWARENESS CAMPAIGN.—

24                   “(1) IN GENERAL.—Not later than 180 days  
25           after the date of enactment of the Higher Education

1 Affordability Act, the Secretary shall coordinate,  
 2 with entities such as States, institutions of higher  
 3 education, State educational agencies, local edu-  
 4 cational agencies, secondary schools, and other agen-  
 5 cies, and organizations involved in access to higher  
 6 education and student financial aid, and implement  
 7 a public awareness campaign in order to increase  
 8 national awareness of the College Scorecard.

9 “(2) CONTENT AND IMPLEMENTATION OF CAM-  
 10 PAIGN.—The public awareness campaign carried out  
 11 under this subsection shall disseminate information  
 12 regarding the functions and methods of accessing  
 13 the College Scorecard, and shall be implemented, to  
 14 the extent practicable, using a variety of media, in-  
 15 cluding print, television, radio, and the Internet.

16 “(3) USE OF RESEARCH-BASED STRATEGIES.—  
 17 The Secretary shall design and implement the public  
 18 awareness campaign carried out under this sub-  
 19 section based on relevant independent research and  
 20 information on dissemination strategies found suit-  
 21 able for students in secondary school and postsec-  
 22 ondary education.”.

23 **SEC. 112. REPORTING REQUIREMENTS.**

24 Section 135(b), as redesignated by section 111, is  
 25 amended—

1           (1) in paragraph (1), by striking “and” after  
2           the semicolon;

3           (2) in paragraph (2), by striking the period and  
4           inserting “; and”; and

5           (3) by adding at the end the following:

6           “(3) is developed pursuant to the institutional  
7           reporting requirements under section 493G.”.

8   **SEC. 113. IN-STATE TUITION RATES FOR CERTAIN INDIVID-**  
9                                   **UALS.**

10          Section 136, as redesignated by section 111, is  
11          amended to read as follows:

12   **“SEC. 136. IN-STATE TUITION RATES FOR CERTAIN INDIVID-**  
13                                   **UALS.**

14          “(a) MEMBERS OF THE ARMED FORCES ON ACTIVE  
15          DUTY.—

16               “(1) REQUIREMENT.—In the case of a member  
17          of the Armed Forces who is on active duty for a pe-  
18          riod of more than 30 days and whose domicile or  
19          permanent duty station is in a State that receives  
20          assistance under this Act, such State shall not  
21          charge such member (or the spouse or dependent  
22          child of such member) tuition for attendance at a  
23          public institution of higher education in the State at  
24          a rate that is greater than the rate charged for resi-  
25          dents of the State.

1           “(2) CONTINUATION.—If a member of the  
2       Armed Forces (or the spouse or dependent child of  
3       a member) pays tuition at a public institution of  
4       higher education in a State at a rate determined by  
5       paragraph (1), the provisions of paragraph (1) shall  
6       continue to apply to such member, spouse, or de-  
7       pendent while continuously enrolled at that institu-  
8       tion, notwithstanding a subsequent change in the  
9       permanent duty station of the member to a location  
10      outside the State.

11       “(b) HOMELESS CHILDREN OR YOUTHS AND FOSTER  
12      CARE CHILDREN OR YOUTHS.—A State shall not charge  
13      a homeless child or youth or a foster care child or youth  
14      tuition for attendance at a public institution of higher edu-  
15      cation in the State at a rate that is greater than the rate  
16      charged for residents of the State, if the homeless child  
17      or youth or foster care child or youth—

18           “(1) graduated from secondary school or ob-  
19       tained the recognized equivalent of a secondary  
20       school diploma in such State;

21           “(2) resided in such State as a homeless child  
22       or youth or a foster care child or youth while attend-  
23       ing secondary school in an adjacent State, as  
24       verified by—

1           “(A) a local educational agency homeless  
 2 liaison, designated pursuant to section  
 3 722(g)(1)(J)(ii) of the McKinney-Vento Home-  
 4 less Assistance Act (42 U.S.C.  
 5 11432(g)(1)(J)(ii));

6           “(B) the director (or a designee of the di-  
 7 rector) of an emergency or transitional shelter,  
 8 street outreach program, homeless youth drop-  
 9 in center, or other program serving homeless  
 10 youth or families;

11           “(C) the director (or a designee of the di-  
 12 rector) of a program funded under chapter 1 or  
 13 2 of subpart 2 of part A of title IV; or

14           “(D) the State or tribal organization that  
 15 administers a State plan under part B or E of  
 16 title IV of the Social Security Act (42 U.S.C.  
 17 621 et seq. and 670 et seq.).

18           “(c) EFFECTIVE DATES.—

19           “(1) ARMED FORCES.—With respect to an indi-  
 20 vidual described in subsection (a)(1), this section  
 21 shall take effect at each public institution of higher  
 22 education in a State that receives assistance under  
 23 this Act for the first period of enrollment at such in-  
 24 stitution that begins after July 1, 2009.

1           “(2) HOMELESS CHILDREN OR YOUTHS AND  
 2           FOSTER CARE CHILDREN OR YOUTHS.—With respect  
 3           to an individual described in subsection (b), this sec-  
 4           tion shall take effect at each public institution of  
 5           higher education in a State that receives assistance  
 6           under this Act for the first period of enrollment at  
 7           such institution that begins after July 1, 2015.

8           “(d) DEFINITIONS.—

9           “(1) ‘ARMED FORCES’ AND ‘ACTIVE DUTY FOR  
 10          A PERIOD OF MORE THAN 30 DAYS’.—In this section,  
 11          the terms ‘Armed Forces’ and ‘active duty for a pe-  
 12          riod of more than 30 days’ have the meanings given  
 13          those terms in section 101 of title 10, United States  
 14          Code.

15          “(2) HOMELESS CHILDREN AND YOUTHS.—The  
 16          term ‘homeless children and youths’ has the mean-  
 17          ing given the term in section 725 of the McKinney-  
 18          Vento Homeless Assistance Act (42 U.S.C.  
 19          11434a).”.

20       **SEC. 114. STATE HIGHER EDUCATION INFORMATION SYS-**  
 21       **TEM PILOT PROGRAM.**

22       Section 137(g), as redesignated by section 111, is  
 23       amended by striking “2009” and inserting “2015”.

1 **SEC. 115. RESPONSIBILITIES OF FSA OMBUDSMAN; ADDI-**  
2 **TION OF POINT OF CONTACT FOR MILITARY**  
3 **FAMILIES AND HOMELESS CHILDREN.**

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

5 (1) in paragraph (3)—

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

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

10 (C) by adding at the end the following:

11 “(C) receive, review, and resolve expedi-  
12 tiously complaints regarding a student’s inde-  
13 pendence under subparagraph (B) or (H) of  
14 section 480(d)(1), in consultation with knowl-  
15 edgeable parties, including child welfare agen-  
16 cies, local educational agency liaisons for home-  
17 less children and youths designated under sub-  
18 title B of title VII of the McKinney-Vento  
19 Homeless Assistance Act (42 U.S.C. 11431 et  
20 seq.) or State Coordinators for Education of  
21 Homeless Children and Youths established  
22 under such subtitle.”;

23 (2) by redesignating paragraph (4) as para-  
24 graph (5); and

25 (3) by inserting after paragraph (3) the fol-  
26 lowing:

1           “(4) MILITARY AND VETERAN POINT OF CON-  
2       TACT.—

3           “(A) IN GENERAL.—The Chief Operating  
4       Officer, in consultation with the Secretary, shall  
5       designate 1 or more employees to act as the  
6       military and veteran point of contact within the  
7       office of the Student Loan Ombudsman.

8           “(B) FUNCTIONS.—The designated mili-  
9       tary and veteran point of contact described in  
10      subparagraph (A) shall—

11           “(i) monitor the complaints received  
12      from the Ombudsman under paragraph  
13      (3)(A) from, and provide timely assistance  
14      to, members of the Armed Forces (includ-  
15      ing members of the National Guard and  
16      Reserves), veterans, and their dependents;

17           “(ii) coordinate with other agencies,  
18      including the Department of Defense, the  
19      Department of Veterans Affairs, the De-  
20      partment of Homeland Security, and the  
21      Bureau of Consumer Financial Protection,  
22      to ensure that members of the Armed  
23      Forces, veterans, and the dependents of  
24      members of the Armed Forces and vet-  
25      erans, who are students, borrowers, or po-

tential borrowers, are aware of the availability and functions of the Ombudsman; and

“(iii) issue to the Committee on Health, Education, Labor, and Pensions of the Senate, the Committee on Education and the Workforce of the House of Representatives, the Committee on Veterans’ Affairs of the Senate, the Committee on Veterans’ Affairs of the House of Representatives, the Committee on Armed Services of the Senate, and the Committee on Armed Services of the House of Representatives an annual report on the challenges that such members of the Armed Forces, veterans, and dependents are facing as students, borrowers, and potential borrowers.”.

**SEC. 116. RESPONSIBILITIES OF COVERED INSTITUTIONS,  
INSTITUTION-AFFILIATED ORGANIZATIONS,  
AND LENDERS.**

Section 152 (20 U.S.C. 1019a) is amended—

(1) in the matter preceding clause (i) of subsection (a)(1)(A), by striking “(h) of section 487” and inserting “(g) of section 487”; and

1           (2) in subsection (b)(1)(B)(i)(I), by striking  
2           “section 487(e)” and inserting “section 487(d)”.

3 **SEC. 117. ESTABLISHMENT OF COMPLAINT RESOLUTION**  
4 **AND TRACKING SYSTEM.**

5 Title I (20 U.S.C. 1001 et seq.) is amended—

6           (1) by striking section 155; and

7           (2) by adding at the end the following:

8 **“PART F—COMPLAINT TRACKING SYSTEM**

9 **“SEC. 161. COMPLAINT TRACKING SYSTEM.**

10          “(a) DEFINITION OF COMPLAINANT.—In this section,  
11 the term ‘complainant’ means—

12           “(1) a student of a postsecondary educational  
13 institution;

14           “(2) a family member of a student of a postsec-  
15 ondary educational institution;

16           “(3) a third party acting on behalf of a student  
17 of a postsecondary educational institution; or

18           “(4) a staff member or employee of a postsec-  
19 ondary educational institution.

20          “(b) ESTABLISHMENT OF COMPLAINT TRACKING  
21 SYSTEM.—

22           “(1) ESTABLISHMENT OF COMPLAINT TRACK-  
23 ING SYSTEM.—

24           “(A) IN GENERAL.—Not later than 1 year  
25 after the enactment of the Higher Education

1 Affordability Act, the Secretary shall complete  
2 the establishment of a complaint tracking sys-  
3 tem that includes a single, toll-free telephone  
4 number and a website to facilitate the central-  
5 ized collection of, monitoring of, and response  
6 to complaints or inquiries regarding the edu-  
7 cational practices and services, and recruiting  
8 and marketing practices, of all postsecondary  
9 educational institutions.

10 “(B) PURPOSE.—The purpose of the com-  
11 plaint tracking system is to address allegations  
12 of fraud, misrepresentation, or negligence with  
13 respect to recruitment and marketing to stu-  
14 dents.

15 “(2) ESTABLISHMENT OF COMPLAINT TRACK-  
16 ING OFFICE.—The Secretary shall establish within  
17 the Department an office whose functions shall in-  
18 clude establishing, administering, and disseminating  
19 widely information about the complaint tracking sys-  
20 tem established under paragraph (1). The Secretary  
21 shall—

22 “(A) to the extent necessary, combine and  
23 consolidate the other offices and functions of  
24 the Department in order to ensure that the of-  
25 fice established under this paragraph is the sin-

1           gle point of contact for students and borrowers  
2           with complaints; and

3                   “(B) to the extent practicable, ensure that  
4           the office established in this paragraph will  
5           work with the Student Loan Ombudsman ap-  
6           pointed in accordance with section 141(f) to as-  
7           sist borrowers that have complaints regarding  
8           the educational practices and services, and re-  
9           cruiting and marketing practices, of postsec-  
10          ondary educational institutions.

11          “(c) HANDLING OF COMPLAINTS.—

12                   “(1) TIMELY RESPONSE TO COMPLAINTS.—The  
13          Secretary shall establish, in consultation with the  
14          heads of appropriate agencies, reasonable procedures  
15          to provide a timely response to complainants, in  
16          writing where appropriate, to complaints against, or  
17          inquiries concerning, an institution of higher edu-  
18          cation that receives funds under this Act. Each re-  
19          sponse shall include a description of—

20                           “(A) the steps that have been taken by the  
21          Secretary in response to the complaint or in-  
22          quiry;

23                           “(B) any responses received by the Sec-  
24          retary from the institution of higher education;  
25          and

1           “(C) any additional actions that the Sec-  
2           retary has taken, or plans to take, in response  
3           to the complaint or inquiry.

4           “(2) TIMELY RESPONSE TO SECRETARY BY IN-  
5           STITUTION OF HIGHER EDUCATION.—The Secretary  
6           shall notify each institution of higher education that  
7           receives funds under this Act and that is the subject  
8           of a complaint or inquiry under this section regard-  
9           ing the complaint or inquiry. Not later than 60 days  
10          after receiving such notice, such institution shall  
11          provide a response to the Secretary concerning the  
12          complaint or inquiry, including—

13               “(A) the steps that have been taken by the  
14               institution to respond to the complaint or in-  
15               quiry;

16               “(B) all responses received by the institu-  
17               tion from the complainant; and

18               “(C) any additional actions that the insti-  
19               tution has taken, or plans to take, in response  
20               to the complaint or inquiry.

21           “(3) FURTHER INVESTIGATION.—The Secretary  
22           may, in the event that the complaint is not ade-  
23           quately resolved or addressed by the responses of the  
24           institution of higher education receiving funds under  
25           this Act under paragraph (2), ask additional ques-

tions of such institution or seek additional information from or action by the institution.

“(4) PROVISION OF INFORMATION.—

“(A) IN GENERAL.—An institution of higher education that receives funds under this Act shall, in a timely manner, comply with a request by the Secretary for information in the control or possession of such institution concerning a complaint or inquiry received by the Secretary under subsection (a), including supporting written documentation, subject to subparagraph (B).

“(B) EXCEPTIONS.—An institution of higher education that receives funds under this Act shall not be required to make available under this subsection—

“(i) any nonpublic or confidential information, including any confidential commercial information;

“(ii) any information collected by the institution for the purpose of preventing fraud or detecting or making any report regarding other unlawful or potentially unlawful conduct; or

1                   “(iii) any information required to be  
 2                   kept confidential by any other provision of  
 3                   law.

4                   “(5) COMPLIANCE.—An institution of higher  
 5                   education that receives funds under this Act shall  
 6                   comply with the requirements to provide responses  
 7                   and information, in accordance with this subsection,  
 8                   as a condition of receiving such funds.

9                   “(d) TRANSPARENCY.—

10                  “(1) SHARING INFORMATION WITH FEDERAL  
 11                  AND STATE AGENCIES.—As appropriate and in ac-  
 12                  cordance with section 444 of the General Education  
 13                  Provisions Act (20 U.S.C. 1232g) (commonly re-  
 14                  ferred to as the “Family Educational Rights and  
 15                  Privacy Act of 1974”) and other laws, the Secretary  
 16                  shall coordinate with the heads of relevant Federal  
 17                  and State agencies to—

18                         “(A) collect complaints related to the com-  
 19                         plaint tracking system described in subsection  
 20                         (b) from such agencies; and

21                         “(B) route such complaints to relevant  
 22                         Federal and State agencies when appropriate.

23                   “(2) INTERACTION WITH EXISTING COMPLAINT  
 24                   SYSTEMS.—To the extent practicable, all procedures  
 25                   established under this section, and all coordination

1 carried out under paragraph (1), shall be done in ac-  
2 cordance with the complaint tracking systems estab-  
3 lished under Executive Order 13607 (77 Fed. Reg.  
4 25861; relating to establishing principles of excel-  
5 lence for educational institutions serving  
6 servicemembers, veterans, spouses, and other family  
7 members).

8 “(3) PUBLIC INFORMATION.—

9 “(A) IN GENERAL.—The Secretary shall  
10 regularly publish on the website of the Depart-  
11 ment information on the complaints and inquir-  
12 ies received for each postsecondary educational  
13 institution under this section, including—

14 “(i) the number of complaints and in-  
15 quiries received;

16 “(ii) the types of complaints and in-  
17 quiries received; and

18 “(iii) where applicable, information  
19 about the resolution of the complaints and  
20 inquiries.

21 “(B) DATA PRIVACY.—In carrying out sub-  
22 paragraph (A), the Secretary shall—

23 “(i) comply with applicable data pri-  
24 vacy laws and regulations; and

1                   “(ii) ensure that personally identifi-  
2                   able information is not shared.

3                   “(C) APPEALS PROCESS.—The Secretary  
4                   shall establish an appeals process to allow post-  
5                   secondary educational institutions to challenge  
6                   or appeal a complaint after such complaint has  
7                   been made public. A postsecondary educational  
8                   institution shall provide adequate documenta-  
9                   tion to the Secretary to demonstrate that such  
10                  a complaint is unfounded before the Secretary  
11                  may decide to remove the complaint from the  
12                  website of the Department.

13                  “(4) REPORTS.—Each year, the Secretary shall  
14                  prepare and submit a report to the authorizing com-  
15                  mittees describing—

16                       “(A) the types and nature of complaints  
17                       the Secretary has received under this section;

18                       “(B) the extent to which complainants are  
19                       receiving relief pursuant to this section;

20                       “(C) whether particular types of com-  
21                       plaints are more common in a given sector of  
22                       postsecondary educational institutions;

23                       “(D) any legislative recommendations that  
24                       the Secretary determines are necessary to bet-  
25                       ter assist students and families; and

1           “(E) the schools with the highest volume  
2           of complaints, as determined by the Sec-  
3           retary.”.

4 **SEC. 118. PROPRIETARY EDUCATION OVERSIGHT COORDI-**  
5 **NATION COMMITTEE.**

6           Title I (20 U.S.C. 1001 et seq.), as amended by sec-  
7           tion 117, is further amended by adding at the end the  
8           following:

9           **“PART G—PROPRIETARY EDUCATION**  
10 **OVERSIGHT COORDINATION IMPROVEMENT**

11 **“SEC. 166. DEFINITIONS.**

12           “In this part:

13           “(1) EXECUTIVE OFFICER.—The term ‘execu-  
14           tive officer’, with respect to a proprietary institution  
15           of higher education that is a publicly traded corpora-  
16           tion, means—

17           “(A) the president of such corporation;

18           “(B) a vice president of such corporation  
19           who is in charge of a principal business unit, di-  
20           vision, or function of such corporation, such as  
21           sales, administration, or finance; or

22           “(C) any other officer or person who per-  
23           forms a policy making function for such cor-  
24           poration.

1           “(2) FEDERAL FUNDS.—The term ‘Federal  
2       funds’ means Federal funds described in section  
3       102(b)(2)(B).

4           “(3) PROPRIETARY INSTITUTION OF HIGHER  
5       EDUCATION.—The term ‘proprietary institution of  
6       higher education’ has the meaning given the term in  
7       section 102(b).

8           “(4) STATE APPROVAL AGENCY.—The term  
9       ‘State approval agency’ means any State agency that  
10      determines whether an institution of higher edu-  
11      cation is legally authorized within such State to pro-  
12      vide a program of education beyond secondary edu-  
13      cation.

14          “(5) VETERANS SERVICE ORGANIZATION.—The  
15      term ‘veterans service organization’ means an orga-  
16      nization recognized by the Secretary of Veterans Af-  
17      fairs for the representation of veterans under section  
18      5902 of title 38, United States Code.

19   **“SEC. 167. ESTABLISHMENT OF COMMITTEE.**

20          “(a) ESTABLISHMENT.—There is established a com-  
21      mittee to be known as the ‘Proprietary Education Over-  
22      sight Coordination Committee’ (referred to in this title as  
23      the ‘Committee’) and to be composed of the head (or the  
24      designee of such head) of each of the following Federal  
25      entities:

1 “(1) The Department of Education.

2 “(2) The Bureau of Consumer Financial Pro-  
3 tection.

4 “(3) The Department of Justice.

5 “(4) The Securities and Exchange Commission.

6 “(5) The Department of Defense.

7 “(6) The Department of Veterans Affairs.

8 “(7) The Federal Trade Commission.

9 “(8) The Department of Labor.

10 “(9) The Internal Revenue Service.

11 “(10) At the discretion of the President, any  
12 other relevant Federal agency or department.

13 “(b) PURPOSES.—The Committee shall have the fol-  
14 lowing purposes:

15 “(1) Coordinate Federal oversight of propri-  
16 etary institutions of higher education to—

17 “(A) improve enforcement of applicable  
18 Federal laws and regulations;

19 “(B) increase accountability of proprietary  
20 institutions of higher education to students and  
21 taxpayers; and

22 “(C) ensure the promotion of quality edu-  
23 cation programs.

24 “(2) Coordinate Federal activities to protect  
25 students from unfair, deceptive, abusive, unethical,

1 fraudulent, or predatory practices, policies, or proce-  
 2 dures of proprietary institutions of higher education.

3 “(3) Encourage information sharing among  
 4 agencies related to Federal investigations, audits, or  
 5 inquiries of proprietary institutions of higher edu-  
 6 cation.

7 “(4) Increase coordination and cooperation be-  
 8 tween Federal and State agencies, including State  
 9 Attorneys General and State approval agencies, with  
 10 respect to improving oversight and accountability of  
 11 proprietary institutions of higher education.

12 “(5) Develop best practices and consistency  
 13 among Federal and State agencies in the dissemina-  
 14 tion of consumer information regarding proprietary  
 15 institutions of higher education to ensure that stu-  
 16 dents, parents, and other stakeholders have easy ac-  
 17 cess to such information.

18 “(c) MEMBERSHIP.—

19 “(1) DESIGNEES.—For any designee described  
 20 in subsection (a), the head of the member entity  
 21 shall appoint a high-level official who exercises sig-  
 22 nificant decision making authority for the oversight  
 23 or investigatory activities and responsibilities related  
 24 to proprietary institutions of higher education of the  
 25 respective Federal entity of such head.

1           “(2) CHAIRPERSON.—The Secretary of Edu-  
2           cation or the designee of such Secretary shall serve  
3           as the Chairperson of the Committee.

4           “(3) COMMITTEE SUPPORT.—The head of each  
5           entity described in subsection (a) shall ensure appro-  
6           priate staff and officials of such entity are available  
7           to support the Committee-related work of such enti-  
8           ty.

9   **“SEC. 168. MEETINGS.**

10          “(a) COMMITTEE MEETINGS.—The members of the  
11          Committee shall meet regularly, but not less than once  
12          during each quarter of each fiscal year, to carry out the  
13          purposes described in section 167(b).

14          “(b) MEETINGS WITH STATE AGENCIES AND STAKE-  
15          HOLDERS.—The Committee shall meet not less than once  
16          each fiscal year, and shall otherwise interact regularly,  
17          with State Attorneys General, State approval agencies,  
18          veterans service organizations, and consumer advocates to  
19          carry out the purposes described in section 167(b).

20   **“SEC. 169. REPORT.**

21          “(a) IN GENERAL.—The Committee shall submit a  
22          report each year to the authorizing committees, and any  
23          other committee of Congress that the Committee deter-  
24          mines appropriate.

1       “(b) PUBLIC ACCESS.—The report described in sub-  
 2 section (a) shall be made available to the public in a man-  
 3 ner that is easily accessible to parents, students, and other  
 4 stakeholders in accordance with the best practices devel-  
 5 oped under section 167(b)(5).

6       “(c) CONTENTS.—

7           “(1) IN GENERAL.—The report shall include—

8               “(A) an accounting of any action (as de-  
 9 fined in paragraph (3)) taken by the Federal  
 10 Government, any member entity of the Com-  
 11 mittee, or a State—

12                   “(i) to enforce Federal or State laws  
 13 and regulations applicable to proprietary  
 14 institutions of higher education;

15                   “(ii) to hold proprietary institutions of  
 16 higher education accountable to students  
 17 and taxpayers; and

18                   “(iii) to promote quality education  
 19 programs;

20               “(B) a summary of complaints against  
 21 each proprietary institution of higher education  
 22 received by any member entity of the Com-  
 23 mittee;

24               “(C) the data described in paragraph (2)  
 25 and any other data relevant to proprietary insti-

1           tutions of higher education that the Committee  
2           determines appropriate; and

3           “(D) recommendations of the Committee  
4           for such legislative and administrative actions  
5           as the Committee determines are necessary  
6           to—

7                   “(i) improve enforcement of applicable  
8                   Federal laws;

9                   “(ii) increase accountability of propri-  
10                  etary institutions of higher education to  
11                  students and taxpayers; and

12                  “(iii) ensure the promotion of quality  
13                  education programs.

14          “(2) DATA.—

15               “(A) INDUSTRY-WIDE DATA.—The report  
16               shall include data on all proprietary institutions  
17               of higher education that consists of information  
18               regarding—

19                   “(i) the total amount of Federal funds  
20                   that proprietary institutions of higher edu-  
21                   cation received for the previous academic  
22                   year, and the percentage of the total  
23                   amount of Federal funds provided to insti-  
24                   tutions of higher education (as defined in  
25                   section 102) for such previous academic

1 year that reflects such total amount of  
2 Federal funds provided to proprietary in-  
3 stitutions of higher education for such pre-  
4 vious academic year;

5 “(ii) the total amount of Federal  
6 funds that proprietary institutions of high-  
7 er education disbursed or delivered, on be-  
8 half of a student, or to a student to be  
9 used to attend an institution of higher edu-  
10 cation, for the previous academic year,  
11 disaggregated by—

12 “(I) educational assistance in the  
13 form of a loan provided under title IV;

14 “(II) educational assistance in  
15 the form of a grant provided under  
16 title IV;

17 “(III) educational assistance pro-  
18 vided under chapter 33 of title 38,  
19 United States Code;

20 “(IV) tuition assistance provided  
21 under section 2007 of title 10, United  
22 States Code;

23 “(V) assistance provided under  
24 section 1784a of title 10, United  
25 States Code; and

1                   “(VI) Federal funds not de-  
2                   scribed in subclauses (I) through (V);

3                   “(iii) the percentage of the total  
4                   amount of Federal funds provided to insti-  
5                   tutions of higher education (as defined in  
6                   section 102) for such previous academic  
7                   year for each of the programs described in  
8                   subclauses (I) through (V) of clause (ii)  
9                   that reflects such total amount of Federal  
10                  funds provided to proprietary institutions  
11                  of higher education for such previous aca-  
12                  demic year for each of such programs;

13                  “(iv) the average retention and grad-  
14                  uation rates for students pursuing a degree  
15                  at proprietary institutions of higher edu-  
16                  cation;

17                  “(v) the average cohort default rate  
18                  (as defined in section 435(m)) for propri-  
19                  etary institutions of higher education, and  
20                  an annual list of cohort default rates (as  
21                  defined in such section) for all proprietary  
22                  institutions of higher education;

23                  “(vi) for careers requiring the passage  
24                  of a licensing examination—

1                   “(I) the passage rate of individ-  
 2                   uals who attended a proprietary insti-  
 3                   tution of higher education taking such  
 4                   examination to pursue such a career;  
 5                   and

6                   “(II) the passage rate of all indi-  
 7                   viduals taking such exam to pursue  
 8                   such a career; and

9                   “(vii) the use of private education  
 10                  loans at proprietary institutions of higher  
 11                  education that includes—

12                  “(I) an estimate of the total  
 13                  number of such loans; and

14                  “(II) information on the average  
 15                  debt, default rate, and interest rate of  
 16                  such loans.

17                  “(B) DATA ON PUBLICLY TRADED COR-  
 18                  PORATIONS.—

19                  “(i) IN GENERAL.—The report shall  
 20                  include data on proprietary institutions of  
 21                  higher education that are publicly traded  
 22                  corporations, consisting of information  
 23                  on—

1           “(I) any pre-tax profit of such  
2           proprietary institutions of higher edu-  
3           cation—

4                   “(aa) reported as a total  
5                   amount and an average percent  
6                   of revenue for all such propri-  
7                   etary institutions of higher edu-  
8                   cation; and

9                   “(bb) reported for each such  
10                  proprietary institution of higher  
11                  education;

12           “(II) revenue for such propri-  
13           etary institutions of higher education  
14           spent on recruiting and marketing ac-  
15           tivities, student instruction, and stu-  
16           dent support services, reported—

17                   “(aa) as a total amount and  
18                   an average percent of revenue for  
19                   all such proprietary institutions  
20                   of higher education; and

21                   “(bb) for each such propri-  
22                   etary institution of higher edu-  
23                   cation;

24           “(III) total compensation pack-  
25           ages of the executive officers of each

1 such proprietary institution of higher  
2 education;

3 “(IV) a list of institutional loan  
4 programs offered by each such propri-  
5 etary institution of higher education  
6 that includes information on the de-  
7 fault and interest rates of such pro-  
8 grams; and

9 “(V) the data described in  
10 clauses (ii) and (iii).

11 “(ii) DISAGGREGATED BY OWNER-  
12 SHIP.—The report shall include data on  
13 proprietary institutions of higher education  
14 that are publicly traded corporations,  
15 disaggregated by corporate or parent enti-  
16 ty, brand name, and campus, consisting  
17 of—

18 “(I) the total cost of attendance  
19 for each program at each such propri-  
20 etary institution of higher education,  
21 and information comparing such total  
22 cost for each such program to—

23 “(aa) the total cost of at-  
24 tendance for each program at

1 each public institution of higher  
2 education; and

3 “(bb) the average total cost  
4 of attendance for each program  
5 at all institutions of higher edu-  
6 cation, including such institutions  
7 that are public and such institu-  
8 tions that are private;

9 “(II) total enrollment,  
10 disaggregated by—

11 “(aa) individuals enrolled in  
12 programs taken online; and

13 “(bb) individuals enrolled in  
14 programs that are not taken on-  
15 line;

16 “(III) the average retention and  
17 graduation rates for students pur-  
18 suing a degree at such proprietary in-  
19 stitutions of higher education;

20 “(IV) the percentage of students  
21 enrolled in such proprietary institu-  
22 tions of higher education who com-  
23 plete a program of such an institution  
24 within—

1                   “(aa) the standard period of  
2                   completion for such program; and

3                   “(bb) a period that is 150  
4                   percent of such standard period  
5                   of completion;

6                   “(V) the total cost of attendance  
7                   for each program at such proprietary  
8                   institutions of higher education;

9                   “(VI) the average cohort default  
10                  rate, as defined in section 435(m), for  
11                  such proprietary institutions of higher  
12                  education, and an annual list of co-  
13                  hort default rates (as defined in such  
14                  section) for all proprietary institutions  
15                  of higher education;

16                  “(VII) the median educational  
17                  debt incurred by students who com-  
18                  plete a program at such a proprietary  
19                  institution of higher education;

20                  “(VIII) the median educational  
21                  debt incurred by students who start  
22                  but do not complete a program at  
23                  such a proprietary institution of high-  
24                  er education;

1 “(IX) the job placement rate for  
2 students who complete a program at  
3 such a proprietary institution of high-  
4 er education and the type of employ-  
5 ment obtained by such students;

6 “(X) for careers requiring the  
7 passage of a licensing examination,  
8 the rate of individuals who attended  
9 such a proprietary institution of high-  
10 er education and passed such an ex-  
11 amination; and

12 “(XI) the number of complaints  
13 from students enrolled in such propri-  
14 etary institutions of higher education  
15 who have submitted a complaint to  
16 any member entity of the Committee.

17 “(iii) DEPARTMENT OF DEFENSE AND  
18 VETERANS AFFAIRS ASSISTANCE.—

19 “(I) IN GENERAL.—To the extent  
20 practicable, the report shall provide  
21 information on the data described in  
22 clause (ii) for individuals using, to pay  
23 for the costs of attending such a pro-  
24 prietary institution of higher edu-  
25 cation, Federal funds provided under

1 title 10, United States Code or title  
2 38, United States Code.

3 “(II) REVENUE.—The report  
4 shall provide information on the rev-  
5 enue of proprietary institutions of  
6 higher education that are publicly  
7 traded corporations that is derived  
8 from the Federal funds described in  
9 subclause (I).

10 “(C) COMPARISON DATA.—To the extent  
11 practicable, the report shall provide information  
12 comparing the data described in subparagraph  
13 (B) for proprietary institutions of higher edu-  
14 cation that are publicly traded corporations  
15 with such data for public institutions of higher  
16 education disaggregated by State.

17 “(3) ACCOUNTING OF ANY ACTION.—For the  
18 purposes of paragraph (1)(A), the term ‘any action’  
19 shall include—

20 “(A) a complaint filed by a Federal or  
21 State agency in a local, State, Federal, or tribal  
22 court;

23 “(B) an administrative proceeding by a  
24 Federal or State agency involving noncompli-  
25 ance of any applicable law or regulation; or

1           “(C) any other review, audit, or adminis-  
 2           trative process by any Federal or State agency  
 3           that results in a penalty, suspension, or termi-  
 4           nation from any Federal or State program.

5   **“SEC. 170. WARNING LIST FOR PARENTS AND STUDENTS.**

6           “(a) IN GENERAL.—Each academic year, the Com-  
 7           mittee shall publish a list to be known as the ‘Warning  
 8           List for Parents and Students’ to be comprised of propri-  
 9           etary institutions of higher education—

10           “(1) that have engaged in illegal activity during  
 11           the previous academic year as determined by a Fed-  
 12           eral or State court;

13           “(2) that have entered into a settlement result-  
 14           ing in a monetary payment;

15           “(3) that have had any higher education pro-  
 16           gram withdrawn or suspended; or

17           “(4) for which the Committee has sufficient evi-  
 18           dence of widespread or systemic unfair, deceptive,  
 19           abusive, unethical, fraudulent, or predatory prac-  
 20           tices, policies, or procedures that pose a threat to  
 21           the academic success, financial security, or general  
 22           best interest of students.

23           “(b) DETERMINATIONS.—In making a determination  
 24           pursuant to subsection (a)(4), the Committee may con-  
 25           sider evidence that includes the following:

1           “(1) Any consumer complaint collected by any  
2 member entity of the Committee.

3           “(2) Any complaint filed by a Federal or State  
4 agency in a Federal, State, local, or tribal court.

5           “(3) Any administrative proceeding by a Fed-  
6 eral or State agency involving noncompliance of any  
7 applicable law or regulation.

8           “(4) Any other review, audit, or administrative  
9 process by any Federal or State agency that results  
10 in a penalty, suspension, or termination from any  
11 Federal or State program.

12           “(5) Data or information submitted by a pro-  
13 prietary institution of higher education to any ac-  
14 crediting agency or association recognized by the  
15 Secretary of Education pursuant to section 496 or  
16 the findings or adverse actions of any such accred-  
17 iting agency or association.

18           “(6) Information submitted by a proprietary in-  
19 stitution of higher education to any member entity  
20 of the Committee.

21           “(7) Any other evidence that the Committee de-  
22 termines relevant in making a determination pursu-  
23 ant to subsection (a)(4).

24           “(c) PUBLICATION.—Not later than July 1 of each  
25 fiscal year, the Committee shall publish the list described

1 in subsection (a) prominently and in a manner that is eas-  
 2 ily accessible to parents, students, and other stakeholders  
 3 in accordance with any best practices developed under sec-  
 4 tion 167(b)(5).”.

## 5 **TITLE II—IMPROVING** 6 **EDUCATOR PREPARATION**

### 7 **SEC. 201. IMPROVING EDUCATOR PREPARATION.**

8 Title II (20 U.S.C. 1021 et seq.) is amended to read  
 9 as follows:

## 10 **“TITLE II—IMPROVING** 11 **EDUCATOR PREPARATION**

### 12 **“SEC. 200. DEFINITIONS.**

13 “In this title:

14 “(1) APPLIED LEARNING.—The term ‘applied  
 15 learning’ means a strategy that—

16 “(A) engages students in opportunities to  
 17 apply rigorous academic content aligned with  
 18 postsecondary-level expectations to real world  
 19 experience, through such means as work experi-  
 20 ence, work-based learning, problem-based learn-  
 21 ing, project-based learning or service-learning;  
 22 and

23 “(B) develops students’ cognitive com-  
 24 petencies and pertinent employability skills.

1           “(2) CLINICAL TRAINING.—The term ‘clinical  
2           training’ means sustained and high-quality  
3           preservice experiences based on scientifically valid  
4           research to further develop the teaching skills or  
5           leadership skills of prospective teachers or school  
6           leaders, including (as applicable) early childhood  
7           educators. Such experiences shall include each of the  
8           following:

9                   “(A) Experiential clinical training in an el-  
10                  ementary school or secondary school that, to  
11                  the extent practicable, is aligned with the grade  
12                  level and subject area where the teacher or  
13                  school leader will be placed upon program com-  
14                  pletion, and that includes—

15                           “(i) opportunities for teacher or  
16                          school leader candidates to develop and  
17                          demonstrate teaching skills or leadership  
18                          skills as supervised classroom teachers or  
19                          school leaders to better prepare such teach-  
20                          ers or school leaders to meet the needs of  
21                          serving in high-need local educational  
22                          agencies, high-need schools, or schools in  
23                          rural areas, or being a teacher in a high-  
24                          need subject or field;

1 “(ii) opportunities to work with di-  
2 verse learners;

3 “(iii) ongoing assessment and regular  
4 opportunities for feedback for teacher can-  
5 didates or school leader candidates from  
6 faculty and current teachers or school lead-  
7 ers;

8 “(iv) aligning school-based clinical ex-  
9 periences with coursework in educational  
10 theory and content through supervised  
11 clinical practice and regular feedback on  
12 the development of teaching skills or lead-  
13 ership skills and performance that include  
14 integrating social and emotional develop-  
15 ment, building a positive classroom or  
16 school culture and climate, and developing  
17 effective classroom management or school  
18 leadership techniques;

19 “(v) for teachers, developing the abil-  
20 ity to—

21 “(I) link teaching practice to stu-  
22 dent learning;

23 “(II) create effective teaching  
24 units and lesson plans that provide all  
25 students with the ability to apply con-

1           tent knowledge, think critically, solve  
 2           complex problems, communicate effec-  
 3           tively, and work collaboratively with  
 4           their peers;

5                   “(III) develop and implement  
 6           formative and interim assessments to  
 7           diagnose student learning and modify  
 8           instruction as a result of the data de-  
 9           rived from such assessments;

10                   “(IV) implement evidence-based  
 11           differentiated instruction strategies;  
 12           and

13                   “(V) teach diverse learners, in-  
 14           cluding students with special needs  
 15           and English learners;

16                   “(vi) for school leaders, developing the  
 17           ability to—

18                   “(I) lead effective teams of teach-  
 19           ers;

20                   “(II) identify and model effective  
 21           classroom practices;

22                   “(III) learn how to recruit and  
 23           support effective teachers; and

24                   “(IV) engage community mem-  
 25           bers and parents.

1           “(B) Align the coursework offered at the  
 2 educator preparation entity with the needs of  
 3 the local educational agencies, including the  
 4 academic needs of students, served by the edu-  
 5 cator preparation entity and the clinical experi-  
 6 ences offered under subparagraph (A).

7           “(C) Provide high-quality mentoring.

8           “(D) Be offered over the course of an edu-  
 9 cator preparation program.

10          “(E) Be designed through collaboration be-  
 11 tween faculty or staff at the educator prepara-  
 12 tion entity and employees, including teachers  
 13 and school leaders, of the local educational  
 14 agencies served by the educator preparation en-  
 15 tity.

16          “(F) Provide support and training for fac-  
 17 ulty or staff at educator preparation entities  
 18 and for individuals who serve as mentors for  
 19 new and prospective teachers or school leaders.

20          “(3) CORE ACADEMIC SUBJECTS.—The term  
 21 ‘core academic subjects’ has the meaning given the  
 22 term in section 9101 of the Elementary and Sec-  
 23 ondary Education Act of 1965.

24          “(4) EARLY CHILDHOOD EDUCATOR.—The  
 25 term ‘early childhood educator’ means an individual

1 with primary responsibility for the education of chil-  
 2 dren in an early childhood education program.

3 “(5) EDUCATIONAL SERVICE AGENCY.—The  
 4 term ‘educational service agency’ has the meaning  
 5 given the term in section 9101 of the Elementary  
 6 and Secondary Education Act of 1965.

7 “(6) EDUCATOR PREPARATION ENTITY.—The  
 8 term ‘educator preparation entity’ means a teacher  
 9 preparation entity or a school leader preparation en-  
 10 tity.

11 “(7) EDUCATOR PREPARATION PROGRAM.—The  
 12 term ‘educator preparation program’ means a teach-  
 13 er preparation program or a school leader prepara-  
 14 tion program offered by an educator preparation en-  
 15 tity, including an early childhood education teacher  
 16 or school leader program.

17 “(8) EDUCATOR RESIDENCY PROGRAM.—The  
 18 term ‘educator residency program’ means a teacher  
 19 residency program or a school leader residency pro-  
 20 gram within a teacher preparation program or  
 21 school leader preparation program.

22 “(9) EFFECTIVE LITERACY INSTRUCTION.—The  
 23 term ‘effective literacy instruction’ means literacy in-  
 24 struction that—

1           “(A) includes age-appropriate, explicit, sys-  
2           tematic, and intentional instruction in phono-  
3           logical awareness, phonic decoding, vocabulary,  
4           language structure, reading fluency, and read-  
5           ing comprehension;

6           “(B) includes age-appropriate, explicit in-  
7           struction in writing, including opportunities for  
8           children to write with clear purposes, with crit-  
9           ical reasoning appropriate to the topic and pur-  
10          pose, and with specific instruction and feedback  
11          from instructional staff;

12          “(C) uses differentiated instructional ap-  
13          proaches, including individual and small group  
14          instruction and discussion;

15          “(D) uses age-appropriate, valid, and reli-  
16          able screening assessments, diagnostic assess-  
17          ments, formative assessment processes, and  
18          summative assessments to identify a child’s  
19          learning needs, to inform instruction, and to  
20          monitor the child’s progress and the effects of  
21          instruction;

22          “(E) uses strategies to enhance children’s  
23          motivation to read and write and children’s en-  
24          gagement in self-directed learning;

1 “(F) incorporates the principles of uni-  
2 versal design for learning;

3 “(G) depends on teachers’ collaboration in  
4 planning, instruction, and assessing a child’s  
5 progress and on continuous professional learn-  
6 ing; and

7 “(H) links literacy instruction to the chal-  
8 lenging academic content standards under sec-  
9 tion 1111(b)(1) of the Elementary and Sec-  
10 ondary Education Act of 1965, including the  
11 ability to navigate, understand, and write  
12 about, complex print and digital subject matter.

13 “(10) ELIGIBLE PARTNERSHIP.—Except as oth-  
14 erwise provided in section 216, the term ‘eligible  
15 partnership’ means an entity that—

16 “(A) shall include—

17 “(i) a high-need local educational  
18 agency;

19 “(ii)(I) a high-need school or a con-  
20 sortium of high-need schools served by the  
21 high-need local educational agency; or

22 “(II) as applicable, a high-need early  
23 childhood education program;

24 “(iii) a partner institution; and

1 “(iv) a school, department, or educa-  
2 tor preparation program within such part-  
3 ner institution; and

4 “(B) may include any of the following:

5 “(i) The Governor of the State.

6 “(ii) The State educational agency.

7 “(iii) The State board of education.

8 “(iv) The State agency for higher edu-  
9 cation.

10 “(v) A school or department of arts  
11 and sciences within such partner institu-  
12 tion.

13 “(vi) A business.

14 “(vii) A public or private nonprofit  
15 educational organization.

16 “(viii) An educational service agency.

17 “(ix) A teacher organization.

18 “(x) A high-performing local edu-  
19 cational agency, or a consortium of such  
20 local educational agencies, that can serve  
21 as a resource to the partnership.

22 “(xi) A charter school (as defined in  
23 section 5210 of the Elementary and Sec-  
24 ondary Education Act of 1965).

1                   “(xii) A school or department within  
2                   the partner institution that focuses on psy-  
3                   chology and human development.

4                   “(xiii) A school or department within  
5                   the partner institution with comparable ex-  
6                   pertise in the disciplines of teaching, learn-  
7                   ing, and child and adolescent development.

8                   “(xiv) An entity operating a program  
9                   that provides alternative routes to State  
10                  certification of teachers or school leaders.

11               “(11) ENGLISH LEARNER.—The term ‘English  
12               learner’ means an individual—

13                   “(A) who is aged 3 through 21;

14                   “(B) who is enrolled or preparing to enroll  
15                  in an elementary school or secondary school;

16                   “(C)(i) who was not born in the United  
17                  States;

18                   “(ii) whose native language is a language  
19                  other than English;

20                   “(iii)(I) who is a Native American or Alas-  
21                  ka Native, or a native resident of the outlying  
22                  areas; and

23                   “(II) who comes from an environment  
24                  where a language other than English has had

1 a significant impact on the individual's level of  
2 English language proficiency; or

3 “(iv) who is migratory, whose native lan-  
4 guage is a language other than English, and  
5 who comes from an environment where a lan-  
6 guage other than English is dominant; and

7 “(D) whose difficulties in speaking, read-  
8 ing, writing, or understanding the English lan-  
9 guage may be sufficient to deny the indi-  
10 vidual—

11 “(i) the ability to meet or exceed the  
12 State challenging student academic  
13 achievement standards under section  
14 1111(b)(1) of the Elementary and Sec-  
15 ondary Education Act of 1965 in a subject  
16 for the individual's grade level, as deter-  
17 mined based on the State academic assess-  
18 ments described in section 1111(b)(3) of  
19 such Act;

20 “(ii) the ability to successfully achieve  
21 in classrooms where the language of in-  
22 struction is English; or

23 “(iii) the opportunity to participate  
24 fully in society.

1           “(12) HIGH-NEED EARLY CHILDHOOD EDU-  
 2           CATION PROGRAM.—The term ‘high-need early child-  
 3           hood education program’ means an early childhood  
 4           education program serving children from low-income  
 5           families that is located within the geographic area  
 6           served by a high-need local educational agency, par-  
 7           ticularly focused on a prekindergarten through third  
 8           grade continuum.

9           “(13) HIGH-NEED LOCAL EDUCATIONAL AGEN-  
 10          CY.—The term ‘high-need local educational agency’  
 11          means a local educational agency—

12                 “(A)(i) for which not less than 20 percent  
 13                 of the children served by the agency are chil-  
 14                 dren from low-income families;

15                 “(ii) that serves not fewer than 10,000  
 16                 children from low-income families;

17                 “(iii) that meets the eligibility require-  
 18                 ments for funding under the Small, Rural  
 19                 School Achievement Program under section  
 20                 6211(b) of the Elementary and Secondary Edu-  
 21                 cation Act of 1965; or

22                 “(iv) that meets the eligibility require-  
 23                 ments for funding under the Rural and Low-In-  
 24                 come School Program under section 6221(b) of

1 the Elementary and Secondary Education Act  
2 of 1965; and

3 “(B)(i) for which 1 or more schools served  
4 by the agency is identified by the State as a  
5 low-performing school under section 1116 of the  
6 Elementary and Secondary Education Act of  
7 1965 or identified as eligible to receive funds  
8 under section 1003(g) of such Act; or

9 “(ii) for which there is—

10 “(I) a shortage of teachers in high-  
11 need subjects or fields; or

12 “(II) a high teacher turnover rate.

13 “(14) HIGH-NEED SCHOOL.—The term ‘high-  
14 need school’ means—

15 “(A) an elementary school or middle school  
16 in which not less than 50 percent of the en-  
17 rolled students are children from low-income  
18 families; or

19 “(B) a high school in which not less than  
20 40 percent of the enrolled students are children  
21 from low-income families, which may be cal-  
22 culated using comparable data from feeder  
23 schools.

24 “(15) HIGH-QUALITY PROFESSIONAL DEVELOP-  
25 MENT.—The term ‘high-quality professional develop-

1       ment’ means activities based on scientifically valid  
 2       research that are coordinated and aligned to in-  
 3       crease the effectiveness of teachers or school leaders  
 4       and are regularly assessed to determine the activi-  
 5       ties’ effectiveness, and that—

6               “(A) are designed and implemented to im-  
 7       prove student achievement and classroom prac-  
 8       tice;

9               “(B) are aligned with—

10               “(i) State challenging academic con-  
 11       tent standards and State challenging stu-  
 12       dent academic achievement standards  
 13       adopted under section 1111(b) of the Ele-  
 14       mentary and Secondary Education Act of  
 15       1965;

16               “(ii) related academic and school im-  
 17       provement goals of the school, local edu-  
 18       cational agency, and, as appropriate, state-  
 19       wide and local curricula;

20               “(iii) for teachers, rigorous teaching  
 21       standards; and

22               “(iv) for school leaders, rigorous  
 23       standards for leadership skills;

24               “(C) increase teachers’ or school leaders’—

1 “(i) knowledge and understanding  
2 about how students learn;

3 “(ii) academic content knowledge;

4 “(iii) knowledge and understanding  
5 about the link between social and emo-  
6 tional development and student outcomes;

7 “(iv) ability to analyze student work  
8 and achievement data from multiple  
9 sources, including teacher developed as-  
10 sessments and how to adjust instructional  
11 strategies, assessments, and materials  
12 based on such analysis;

13 “(v) ability to instruct students with  
14 disabilities and English learners so that  
15 such students with disabilities and English  
16 learners are able to meet the State chal-  
17 lenging academic content standards and  
18 State challenging student academic  
19 achievement standards;

20 “(vi) ability to effectively manage a  
21 classroom, including the ability to—

22 “(I) implement multi-tiered sys-  
23 tems of support;

- 1                   “(II) create a positive learning
- 2                   environment that conveys high expect-
- 3                   ations for all students; and
- 4                   “(III) equitably implement school
- 5                   discipline policies;
- 6                   “(vii) ability to lead teams of effective
- 7                   teachers, in the case of school leaders;
- 8                   “(viii) ability to implement opportuni-
- 9                   ties for applied learning;
- 10                  “(ix) knowledge and understanding of
- 11                  culturally relevant practices; and
- 12                  “(x) teaching skills and school leader-
- 13                  ship skills;
- 14                  “(D) are informed by, and aligned with,
- 15                  such teachers’ and school leaders’ evaluations;
- 16                  “(E) are collaborative, data-driven, and
- 17                  classroom- or school-focused;
- 18                  “(F) provide the teacher or school leader
- 19                  with high-quality feedback with actionable steps
- 20                  to improve their practice;
- 21                  “(G) are sustained, intensive, and job-em-
- 22                  bedded, and not limited in scope to a 1-day or
- 23                  short-term workshop or conference;
- 24                  “(H) are, as appropriate, designed to—

1 “(i) provide teachers or school leaders  
 2 with the knowledge and skills to work more  
 3 effectively with parents and families; and

4 “(ii) where applicable, address the  
 5 transition from prekindergarten to elemen-  
 6 tary school, including issues related to  
 7 school readiness across all major domains  
 8 of early learning, as well as transitions  
 9 from elementary school to middle school  
 10 and middle school to high school; and

11 “(I) for school leaders, provide comprehen-  
 12 sive opportunities to practice effective strategies  
 13 and help school leaders develop the abilities to  
 14 lead effective teams of teachers and maintain  
 15 active engagement with families and community  
 16 organizations.

17 “(16) HIGHLY COMPETENT.—The term ‘highly  
 18 competent’, when used with respect to an early  
 19 childhood educator, means an educator—

20 “(A) with specialized education and train-  
 21 ing in development and education of young chil-  
 22 dren from birth until entry into kindergarten,  
 23 including children with disabilities and English  
 24 learners;

25 “(B) with—

1 “(i) a baccalaureate degree in an aca-  
2 demic major in the arts and sciences; or

3 “(ii) an associate’s degree in a related  
4 educational area; and

5 “(C) who has demonstrated a high level of  
6 knowledge and use of content and pedagogy in  
7 the relevant areas associated with quality early  
8 childhood education.

9 “(17) INDUCTION PROGRAM.—The term ‘induc-  
10 tion program’ means a formalized program for new  
11 teachers or school leaders during not less than the  
12 first 2 years of teaching or leading a school that is  
13 designed to provide support for, improve the profes-  
14 sional performance of, and advance the retention of  
15 beginning teachers or school leaders. Such program  
16 shall promote effective teaching or leadership skills  
17 and shall include the following components:

18 “(A) High-quality mentoring.

19 “(B) Periodic, structured time for collabo-  
20 ration and observation opportunities with teach-  
21 ers or school leaders, as well as interdisciplinary  
22 collaboration among highly effective teachers,  
23 school leaders, faculty, researchers, other edu-  
24 cators, and other staff who prepare new teach-  
25 ers or school leaders.

1           “(C) The application of empirically based  
2 practice and scientifically valid research on in-  
3 structional and behavioral interventions.

4           “(D) Opportunities for new teachers or  
5 school leaders to draw directly on the expertise  
6 of mentors, faculty, local educational agency  
7 personnel, and researchers to support the inte-  
8 gration of empirically based practice and sci-  
9 entifically valid research with practice.

10           “(E) The development of content expertise.

11           “(F) Faculty who—

12               “(i) model the integration of research  
13 and practice in the classroom and innova-  
14 tive practices that support the acquisition  
15 and transferability of college- and career-  
16 ready skills, including critical thinking,  
17 complex problem solving, effective commu-  
18 nication and collaboration, such as through  
19 project-based and applied learning;

20               “(ii) assist new teachers and school  
21 leaders with the effective use and integra-  
22 tion of technology in instruction;

23               “(iii) for teachers, assist in the cre-  
24 ation and use of teacher-developed assess-

ments for the purpose of informing and  
targeting instructional practice;

“(iv) demonstrate the content knowledge and skills necessary to be effective in  
advancing student achievement; and

“(v) are able to substantially participate in the early childhood program or elementary school or secondary school classroom setting, as applicable, which may include receiving release time or workload credit for such participation.

“(G) Assistance with the understanding of data, particularly student assessment achievement data, including data from interim, formative, and summative assessments and the application of such data in classroom instruction or school leadership.

“(H) Regular, structured observation and evaluation of new teachers or school leaders, including post-observation feedback and dialogue, by multiple-trained evaluators, using valid and reliable measures of teaching and leadership skills.

“(18) LOW-INCOME FAMILY.—The term ‘low-income family’ means a family who—

1           “(A) has a student who is eligible for a  
2           free or reduced priced lunch under the Richard  
3           B. Russell National School Lunch Act;

4           “(B) is eligible for means tested benefits or  
5           public assistance at the local, State, or Federal  
6           level; or

7           “(C) lives in a high-poverty area or has a  
8           student who attends an elementary school or  
9           high school with an attendance area in a high-  
10          poverty area.

11          “(19) MENTOR.—The term ‘mentor’ means an  
12          experienced educator who shall—

13               “(A) provide opportunities for prospective  
14               or new teachers or school leaders to develop and  
15               demonstrate teaching skills or school leadership  
16               skills to better prepare such prospective or new  
17               teachers or school leaders to meet the unique  
18               needs of serving in high-need local educational  
19               agencies, high-need schools, or schools in rural  
20               areas, or being a teacher in a high-need subject  
21               or field;

22               “(B) provide ongoing assessment of and  
23               regular feedback to mentees;

24               “(C) possess—

1 “(i) a demonstrated record of strong  
 2 teaching skills or leadership skills and im-  
 3 proving student achievement;

4 “(ii) strong verbal and written com-  
 5 munication skills; and

6 “(iii) knowledge, skills, and attitudes  
 7 to—

8 “(I) establish and maintain a  
 9 professional learning community that  
 10 uses data, feedback, and coaching to  
 11 improve mentee performance; and

12 “(II) create and maintain a  
 13 learning culture for mentees that pro-  
 14 vides a climate conducive to the pro-  
 15 fessional development of the mentees;  
 16 and

17 “(D) have a demonstrated record of im-  
 18 proving student achievement.

19 “(20) MENTORING.—The term ‘mentoring’  
 20 means the advising of prospective or new educators  
 21 through a program that includes the following:

22 “(A) Clear criteria for the selection of  
 23 mentors that takes into account the mentor’s  
 24 effectiveness.

1           “(B) Provides high-quality training for  
2 such mentors in how to support teachers or  
3 school leaders effectively, including—

4                 “(i) for teachers, instructional strate-  
5 gies for literacy instruction; and

6                 “(ii) for teachers or school leaders, in-  
7 struction in classroom management or  
8 school management techniques, including  
9 approaches that improve the schoolwide cli-  
10 mate for learning, such as social and emo-  
11 tional development strategies and multi-  
12 tiered systems of support.

13           “(C) Provides regularly scheduled time for  
14 collaboration, examination of student work and  
15 achievement data, joint professional develop-  
16 ment opportunities, and ongoing opportunities  
17 for mentors and mentees to observe each oth-  
18 er’s teaching or leading, and identify and ad-  
19 dress areas for improvement.

20           “(D) Matches mentees with mentors in the  
21 same field, grade, grade span, or subject area.

22           “(E) Provides paid release time for men-  
23 tors, as applicable.

24           “(21) PARTNER INSTITUTION.—The term ‘part-  
25 ner institution’ means a nonprofit institution of

1 higher education, which may include a 2-year non-  
2 profit institution of higher education offering a dual  
3 program with a 4-year nonprofit institution of high-  
4 er education, participating in an eligible partnership  
5 that has a teacher preparation program—

6 “(A) whose graduates exhibit strong per-  
7 formance on State-determined qualifying assess-  
8 ments for new teachers through—

9 “(i) demonstrating that 80 percent or  
10 more of the graduates of the program who  
11 intend to enter the field of teaching have  
12 passed all of the applicable State qualifica-  
13 tion assessments for new teachers, which  
14 shall include an assessment of each pro-  
15 spective teacher’s subject matter knowledge  
16 in the content area in which the teacher in-  
17 tends to teach; or

18 “(ii) being ranked among the highest-  
19 performing teacher preparation programs  
20 in the State as determined by the State  
21 using criteria consistent with the require-  
22 ments for the State report card under sec-  
23 tion 210; and

24 “(B) that requires each teacher or school  
25 leader candidate in the program—

1 “(i) to meet high academic standards  
 2 or demonstrate a record of success, as de-  
 3 termined by the institution (including prior  
 4 to entering and being accepted into a pro-  
 5 gram), and participate in intensive clinical  
 6 training;

7 “(ii) to become highly effective; and

8 “(iii) preparing to become an early  
 9 childhood educator, to meet degree require-  
 10 ments, as established by the State, and be-  
 11 come highly competent.

12 “(22) PRINCIPLES OF SCIENTIFIC RESEARCH.—

13 The term ‘principles of scientific research’ means  
 14 principles of research that—

15 “(A) apply rigorous, systematic, and objec-  
 16 tive methodology to obtain reliable and valid  
 17 knowledge relevant to education activities and  
 18 programs;

19 “(B) present findings and make claims  
 20 that are appropriate to, and supported by, the  
 21 methods that have been employed; and

22 “(C) include, appropriate to the research  
 23 being conducted—

1 “(i) use of systematic, empirical meth-  
2 ods that draw on observation or experi-  
3 ment;

4 “(ii) use of data analyses that are  
5 adequate to support the general findings;

6 “(iii) reliance on measurements or ob-  
7 servational methods that provide reliable  
8 and generalizable findings;

9 “(iv) strong claims of causal relation-  
10 ships, only with research designs that  
11 eliminate plausible competing explanations  
12 for observed results, such as random-as-  
13 signment experiments;

14 “(v) presentation of studies and meth-  
15 ods in sufficient detail and clarity to allow  
16 for replication or, at a minimum, to offer  
17 the opportunity to build systematically on  
18 the findings of the research;

19 “(vi) acceptance by a peer-reviewed  
20 journal or critique by a panel of inde-  
21 pendent experts through a comparably rig-  
22 orous, objective, and scientific review; and

23 “(vii) consistency of findings across  
24 multiple studies or sites to support the  
25 generality of results and conclusions.

1           “(23) RECENT PROGRAM GRADUATE.—The  
2 term ‘recent program graduate’ means—

3           “(A) an individual who has graduated from  
4 a teacher preparation program or school leader  
5 preparation program not earlier than 3 years  
6 preceding the date of the determination; or

7           “(B) an alternative route participant who,  
8 within the 3 years preceding the date of the de-  
9 termination, received a level of certification or  
10 licensure that allows the participant to serve as  
11 the teacher or school leader of record in the  
12 State in which the participant is employed.

13           “(24) SATISFACTION SURVEY.—The term ‘sat-  
14 isfaction survey’ means a survey instrument de-  
15 signed to collect qualitative and quantitative data on  
16 perceptions of whether new teachers or school lead-  
17 ers possess the skills needed to succeed in the class-  
18 room, including effective teaching or school leader-  
19 ship skills.

20           “(25) SCIENTIFICALLY VALID RESEARCH.—The  
21 term ‘scientifically valid research’ includes applied  
22 research, basic research, and field-initiated research  
23 in which the rationale, design, and interpretation are  
24 soundly developed in accordance with principles of  
25 scientific research.

1           “(26) SCHOOL LEADER.—The term ‘school  
2 leader’ means a principal, assistant principal, or in-  
3 dividual who—

4                   “(A) is an employee or officer of a school  
5 who is responsible for—

6                           “(i) the daily instructional leadership  
7 and managerial operations of the school;  
8 and

9                           “(ii) creating the optimum conditions  
10 for student learning; or

11                   “(B) is an early childhood program leader  
12 or director.

13           “(27) SCHOOL LEADER PREPARATION ENTI-  
14 TY.—The term ‘school leader preparation entity’  
15 means an institution of higher education or a non-  
16 profit organization, including those institutions or  
17 organizations that provide alternative routes to cer-  
18 tification, that is approved by the State to prepare  
19 school leaders to be effective.

20           “(28) SCHOOL LEADER PREPARATION PRO-  
21 GRAM.—The term ‘school leader preparation pro-  
22 gram’ means a program offered by a school leader  
23 preparation entity, whether traditional or alternative  
24 route, that is approved by the State to prepare

1 school leaders to be effective and that leads to a spe-  
 2 cific State certification to be a school leader.

3 “(29) SCHOOL LEADER RESIDENCY PRO-  
 4 GRAM.—The term ‘school leader residency program’  
 5 means a school-based school leader preparation pro-  
 6 gram in which a prospective school leader—

7 “(A) for 1 academic year, acts as a school  
 8 leader or assistant school leader alongside a  
 9 mentor school leader;

10 “(B) receives concurrent instruction during  
 11 the year described in subparagraph (A) from an  
 12 educator preparation entity, which courses may  
 13 be taught by local educational agency personnel  
 14 or residency program faculty;

15 “(C) acquires and demonstrates effective  
 16 school leadership skills;

17 “(D) prior to completion of the program,  
 18 attains full State certification of licensure; and

19 “(E) in the case of a postbaccalaureate or  
 20 master’s residency program, acquires a master’s  
 21 degree not later than 24 months after begin-  
 22 ning the program.

23 “(30) SCHOOL LEADERSHIP SKILLS.—The term  
 24 ‘school leadership skills’ means skills that enable a  
 25 school leader to—

1           “(A) recruit, train, supervise, support, re-  
2           tain, and evaluate teachers and other staff;

3           “(B) develop teams of effective school  
4           staff, and distributing among members of such  
5           teams responsibilities for leading and improving  
6           their schools;

7           “(C) establish a positive school culture and  
8           learning community where school leaders and  
9           teachers—

10           “(i) share a commitment to improving  
11           student outcomes and performances for all  
12           students, including students with disabil-  
13           ities and English learners; and

14           “(ii) set a continuous cycle of collec-  
15           tive inquiry and improvement in which  
16           teachers and school leaders work together  
17           on a regular basis to analyze and improve  
18           the alignment and effectiveness of cur-  
19           riculum, instruction, learning, and assess-  
20           ment;

21           “(D) understand how students learn and  
22           develop, and use this knowledge to set high ex-  
23           pectations for student achievement and support  
24           student success;

1           “(E) address the unique needs of specific  
 2           student populations served, such as students  
 3           with disabilities, students who are English  
 4           learners, and students who are homeless or in  
 5           foster care;

6           “(F) manage resources and school time to  
 7           support high-quality instruction and improve-  
 8           ments in student achievement; and

9           “(G) actively engage and work effectively  
 10          with students’ parents and other members of  
 11          the community.

12          “(31) STUDENT GROWTH.—The term ‘student  
 13          growth’ means a change in student achievement for  
 14          an individual student between 2 or more points in  
 15          time. For the purpose of determining student  
 16          growth, measures of student achievement include—

17               “(A) for grades and subjects in which as-  
 18               sessments are required under section  
 19               1111(b)(3) of the Elementary and Secondary  
 20               Education Act of 1965, the student’s score on  
 21               such assessments, and, as appropriate, other  
 22               multiple measures of student learning, such as  
 23               those designated under paragraph (B); and

24               “(B) for grades and subjects for which  
 25               such assessments are not required, alternative

1 statewide measures of student learning and per-  
 2 formance, such as student results on pre-tests  
 3 and end-of-course tests, and objective perform-  
 4 ance-based assessments, and student perform-  
 5 ance on English language proficiency assess-  
 6 ments.

7 “(32) TEACHER IN A HIGH-NEED SUBJECT OR  
 8 FIELD.—The term ‘teacher in a high-need subject or  
 9 field’ means a teacher of—

10 “(A) students with disabilities;

11 “(B) English learners; or

12 “(C) science, technology, engineering, or  
 13 mathematics.

14 “(33) TEACHER PERFORMANCE ASSESSMENT.—  
 15 The term ‘teacher performance assessment’ means  
 16 an assessment used to measure teacher performance  
 17 that is approved by the State and is—

18 “(A) based on professional teaching stand-  
 19 ards;

20 “(B) used to measure the effectiveness of  
 21 a teacher’s—

22 “(i) curriculum planning;

23 “(ii) instruction of students, including  
 24 appropriate plans and modifications for

1 students who are English learners and stu-  
 2 dents who are children with disabilities;

3 “(iii) assessment of students, includ-  
 4 ing analysis of evidence of student learn-  
 5 ing; and

6 “(iv) ability to advance student learn-  
 7 ing;

8 “(C) validated based on professional as-  
 9 sessment standards;

10 “(D) reliably scored by trained evaluators,  
 11 with appropriate oversight of the process to en-  
 12 sure consistency; and

13 “(E) used to support continuous improve-  
 14 ment of educator practice.

15 “(34) TEACHER PREPARATION ENTITY.—The  
 16 term ‘teacher preparation entity’ means an institu-  
 17 tion of higher education or a nonprofit organization,  
 18 including those that provide alternative routes to  
 19 certification, that is approved by the State to pre-  
 20 pare teachers to be effective.

21 “(35) TEACHER PREPARATION PROGRAM.—The  
 22 term ‘teacher preparation program’ means a pro-  
 23 gram, whether traditional or alternative route, that  
 24 is approved by the State to prepare teachers to be

1 effective and that leads to a specific State certifi-  
2 cation to be a teacher.

3 “(36) TEACHER RESIDENCY PROGRAM.—The  
4 term ‘teacher residency program’ means a school-  
5 based teacher preparation program in which a pro-  
6 spective teacher—

7 “(A) for 1 academic year, teaches along-  
8 side a mentor teacher, who is the teacher of  
9 record;

10 “(B) receives concurrent instruction during  
11 the year described in subparagraph (A) from an  
12 educator preparation entity, which courses may  
13 be taught by local educational agency personnel  
14 or residency program faculty, in the teaching of  
15 the content area in which the teacher will be-  
16 come certified or licensed;

17 “(C) acquires teaching skills;

18 “(D) prior to completion of the program,  
19 attains full State certification of licensure and  
20 is prepared to be effective; and

21 “(E) in the case of a postbaccalaureate or  
22 master’s residency program, acquires a master’s  
23 degree not later than 24 months after begin-  
24 ning the program.

1           “(37) TEACHING SKILLS.—The term ‘teaching  
2       skills’ means skills that enable a teacher to—

3           “(A) increase student learning, achieve-  
4       ment, and the ability to apply knowledge;

5           “(B) effectively convey and explain aca-  
6       demic subject matter;

7           “(C) effectively teach higher-order analyt-  
8       ical, critical thinking, evaluation, problem-solv-  
9       ing, and communication skills;

10          “(D) employ strategies grounded in the  
11       disciplines of teaching and learning that—

12           “(i) are based on empirically-based  
13       practice and scientifically valid research,  
14       where applicable, related to teaching and  
15       learning;

16           “(ii) are specific to academic subject  
17       matter;

18           “(iii) are culturally responsive;

19           “(iv) integrate social and emotional  
20       development and academic achievement;  
21       and

22           “(v) focus on the identification of stu-  
23       dents’ specific learning needs and develop  
24       the skills needed to promote successful  
25       learning, particularly among students with

1 disabilities, English learners, students who  
2 are gifted and talented, and students with  
3 low literacy levels, and the tailoring of aca-  
4 demic instruction to such needs;

5 “(E) conduct and utilize the results of an  
6 ongoing assessment of student learning, which  
7 may include the use of formative assessments,  
8 interim assessments, performance-based assess-  
9 ments, project-based assessments, or portfolio  
10 assessments, that measures the full range of  
11 academic standards and higher-order thinking  
12 skills (including application, analysis, synthesis,  
13 and evaluation);

14 “(F) effectively manage a classroom, in-  
15 cluding the ability to implement multi-tiered  
16 systems of support, create a positive learning  
17 environment that conveys high expectations for  
18 all students, and equitably implement school  
19 discipline policies;

20 “(G) communicate and work with parents,  
21 and involve parents in their children’s edu-  
22 cation;

23 “(H) use, in the case of an early childhood  
24 educator, age-appropriate and developmentally

1 appropriate strategies and practices for children  
 2 in early childhood education programs; and

3 “(I) teach, in the case of a career and  
 4 technical education teacher, technical skills to  
 5 industry standards in a classroom setting and  
 6 possess strategies for incorporating content  
 7 from non-career and technical education courses  
 8 and standards for college and career into career  
 9 and technical education courses.

10 **“PART A—EDUCATOR QUALITY PARTNERSHIP**  
 11 **GRANTS**

12 **“SEC. 201. PURPOSES.**

13 “The purposes of this part are to—

14 “(1) improve student achievement in high-need  
 15 schools;

16 “(2) improve the quality of prospective and new  
 17 teachers or school leaders by improving the prepara-  
 18 tion of prospective teachers or school leaders and en-  
 19 hancing professional development activities for new  
 20 teachers or school leaders;

21 “(3) hold educator preparation entities at insti-  
 22 tutions of higher education accountable for pre-  
 23 paring highly effective teachers or school leaders;

24 “(4) recruit well qualified individuals, including  
 25 members of groups underrepresented in teaching

1 and individuals from other occupations, as teachers  
 2 and school leaders; and

3 “(5) meet the staffing needs of high-need local  
 4 educational agencies and high-need schools through  
 5 collaborative partnerships with educator preparation  
 6 programs within institutions of higher education.

7 **“SEC. 202. GRANTS TO IMPROVE EDUCATOR PREPARATION**  
 8 **AND SUPPORT EDUCATOR RESIDENCIES.**

9 “(a) PROGRAM AUTHORIZED.—From amounts made  
 10 available under subsection (g), the Secretary is authorized  
 11 to award grants, on a competitive basis, to eligible part-  
 12 nerships, to carry out the activities described in this sec-  
 13 tion.

14 “(b) APPLICATION.—An eligible partnership that de-  
 15 sires to receive a grant under this section shall submit an  
 16 application to the Secretary at such time, in such manner,  
 17 and accompanied by such information as the Secretary  
 18 may require, including at a minimum—

19 “(1) a needs assessment of the partners in the  
 20 eligible partnership with respect to the preparation,  
 21 ongoing training, professional development, and re-  
 22 tention of general education and special education  
 23 teachers, teachers of English as a second language,  
 24 school leaders, and, as applicable, early childhood

1 educators and career and technical education teach-  
2 ers, including—

3 “(A) an assessment of the hiring needs of  
4 the high-need schools served by the high-need  
5 local educational agency in the eligible partner-  
6 ship; and

7 “(B) a projection of vacancies for teachers  
8 in a high-need subject or field, and the number  
9 of teachers needed in each such high-need sub-  
10 ject or field or school leaders in high-need  
11 schools;

12 “(2) an assurance that the eligible partnership  
13 will target grant funds provided under this section  
14 to recruit, prepare, and support highly effective edu-  
15 cators to serve in high-need local educational agen-  
16 cies and high-need schools, consistent with the needs  
17 assessment conducted under paragraph (1);

18 “(3) an assurance that the eligible partnership  
19 will include meaningful collaboration, as described in  
20 subsection (c)(2)(A), between an educator prepara-  
21 tion program and a high-need local educational  
22 agency, in order to ensure educator preparation pro-  
23 grams are preparing educators with the teaching  
24 skills or leadership skills necessary to meet the needs  
25 of the high-need local educational agency;

1           “(4) an assurance that the educator prepara-  
2           tion program will administer satisfaction surveys to  
3           employers and recent program graduates on an an-  
4           nual basis, in order to ascertain employer satisfac-  
5           tion with recent program graduates’ performance;

6           “(5) a coherent strategy for using grant funds  
7           provided under this section with other Federal,  
8           State, and local funds to—

9                   “(A) increase student achievement in high-  
10                  need schools by improving the quality of prepa-  
11                  ration for new and prospective educators, and  
12                  by enhancing professional development activities  
13                  for new educators; and

14                  “(B) meet the needs of high-need local  
15                  educational agencies and high-need schools by  
16                  establishing meaningful partnerships with edu-  
17                  cator residency programs;

18           “(6) a description of how the eligible partner-  
19           ship will sustain the activities proposed in the appli-  
20           cation after the grant period ends;

21           “(7) a description of how the eligible partner-  
22           ship will prepare all educators to—

23                   “(A) understand and use scientifically  
24                  valid research, as well as data on their stu-  
25                  dents’ educational progress to modify and im-

1           prove the implementation or supervision of  
2           classroom instruction;

3                 “(B) meet the needs of students with dis-  
4           abilities, including training related to participa-  
5           tion as a member of individualized education  
6           program teams, as defined in section  
7           614(d)(1)(B) of the Individuals with Disabil-  
8           ities Education Act to ensure individualized  
9           education plans created promote student suc-  
10          cess; and

11                “(C) meet the needs of English learners;  
12          “(8) a description of—

13                “(A) how the eligible partnership will co-  
14          ordinate strategies and activities assisted under  
15          the grant with other educator preparation pro-  
16          grams or professional development programs,  
17          including programs funded under the Elemen-  
18          tary and Secondary Education Act of 1965 and  
19          the Individuals with Disabilities Education Act,  
20          and through the National Science Foundation;  
21          and

22                “(B) how the activities of the eligible part-  
23          nership will be consistent with State, local, and  
24          other education reform activities that promote

1 teacher and school leader effectiveness and stu-  
 2 dent academic achievement;

3 “(9) a description of how the eligible partner-  
 4 ship will align the educator residency program car-  
 5 ried out with grant funds with the—

6 “(A) State early learning standards for  
 7 early childhood education programs, as appro-  
 8 priate, and with the relevant domains of early  
 9 childhood development, such as social and emo-  
 10 tional development;

11 “(B) challenging academic content stand-  
 12 ards and challenging student academic achieve-  
 13 ment standards under section 1111(b)(1) of the  
 14 Elementary and Secondary Education Act of  
 15 1965, established by the State in which the  
 16 partnership is located; and

17 “(C) hiring objectives of the high-need  
 18 local educational agency in the partnership;

19 “(10) a description of how faculty at the part-  
 20 ner institution will work, during the term of the  
 21 grant, with highly effective educators in high-need  
 22 schools served by the high-need local educational  
 23 agency in the eligible partnership to—

24 “(A) provide high-quality professional de-  
 25 velopment activities, including in-service profes-

1           sional development, to strengthen the content  
2           knowledge and teaching skills or leadership  
3           skills of elementary school and secondary school  
4           teachers or school leaders;

5           “(B) for teachers, train classroom teachers  
6           to implement literacy programs that incorporate  
7           the essential components of literacy instruction;  
8           and

9           “(C) as appropriate, provide training for  
10          educators to teach technical skills to industry  
11          standards in a classroom setting;

12          “(11) a description of the partnership’s evalua-  
13          tion plan under section 204(a), including how the  
14          partnership will collect, analyze, use, and report data  
15          annually on the retention and performance of recent  
16          program graduates as well as how the eligible part-  
17          nership will conduct and publicly report the evalua-  
18          tion required under section 204(a); and

19          “(12) a description of how the eligible partner-  
20          ship will design and implement an induction pro-  
21          gram to support all new educators who are prepared  
22          by the educator preparation program in the partner-  
23          ship and who serve in the high-need local edu-  
24          cational agency in the partnership, and, to the ex-  
25          tent practicable, all new educators who serve in such

1 high-need local educational agency, and how such an  
 2 induction program will comply with the requirements  
 3 under section 200(16) and be integrated with other  
 4 ongoing efforts to support new educators by the  
 5 high-need local educational agency.

6 “(c) EDUCATOR RESIDENCY PROGRAMS.—

7 “(1) IN GENERAL.—An eligible partnership that  
 8 receives a grant under this section shall use the  
 9 grant funds to design and implement an effective ed-  
 10 ucator residency program that is grounded in sci-  
 11 entifically valid research to prepare educators for  
 12 success in the high-need schools served by the high-  
 13 need local educational agency.

14 “(2) CONTENT OF PROGRAM.—An educator  
 15 residency program implemented under paragraph (1)  
 16 shall include the following:

17 “(A) MEANINGFUL COLLABORATION.—Es-  
 18 tablish meaningful collaboration between the  
 19 partner institution and the high-need local edu-  
 20 cational agency to ensure the partner institu-  
 21 tion is preparing teachers with the teaching  
 22 skills or school leaders with the leadership skills  
 23 necessary to meet the specific needs of the high-  
 24 need local educational agency by requiring the  
 25 partner institution to—

1 “(i) engage in regular consultation  
2 with the high-need local educational agency  
3 throughout the development and implemen-  
4 tation of programs and activities carried  
5 out under this section and provide evidence  
6 that such programs and activities are  
7 aligned with the needs of the high-need  
8 schools served by such high-need local edu-  
9 cational agency;

10 “(ii) incorporate ongoing feedback and  
11 regular communication from the high-need  
12 local educational agency and the high-need  
13 schools served by such high-need local edu-  
14 cational agency, in—

15 “(I) the development of recruit-  
16 ment and admissions goals and prior-  
17 ities;

18 “(II) the design of the educator  
19 residency program’s curriculum,  
20 coursework content, clinical training,  
21 induction programs, and other profes-  
22 sional development activities, includ-  
23 ing opportunities to collaborate with  
24 specialized instructional support per-  
25 sonnel;

1 “(III) continuing efforts to mod-  
2 ify and improve the activities and pro-  
3 grams carried out by the partner in-  
4 stitution; and

5 “(IV) meeting the needs of the  
6 high-need schools in which recent pro-  
7 gram graduates are employed and by  
8 monitoring the performance of such  
9 graduates; and

10 “(iii) administer satisfaction surveys  
11 and utilize the feedback from such surveys  
12 to drive program improvement.

13 “(B) INDUCTION PROGRAMS FOR NEW  
14 EDUCATORS.—Implement an induction pro-  
15 gram, as described in section 200(16) for new  
16 educators or, in the case of an early childhood  
17 education program, providing mentoring or  
18 coaching for new early childhood educators.  
19 Such induction program shall be integrated  
20 with other ongoing efforts to support new edu-  
21 cators by the high-need local educational agen-  
22 cy.

23 “(C) EDUCATOR RECRUITMENT.—Develop  
24 and implement effective mechanisms (which  
25 may include alternative routes to State certifi-

cation of teachers or school leaders) to ensure that the eligible partnership is able to recruit well qualified individuals with a record of academic, volunteer, or leadership distinction to become effective educators, which shall include—

“(i) the development of recruitment and admissions goals and priorities aligned with the hiring objectives identified under subsection (a)(1); and

“(ii) an emphasis on recruiting—

“(I) individuals from under represented populations;

“(II) individuals to—

“(aa) become teachers in high-need subject or fields and to teach in schools in rural areas; or

“(bb) become school leaders in schools in rural areas or high-need local educational agencies;

“(III) mid-career professionals from other occupations, former military personnel, and recent college graduates; and

1 “(IV) for school leaders, individ-  
 2 uals with teaching experience and  
 3 demonstrated leadership competencies.

4 “(D) SUPPORT AND TRAINING FOR PAR-  
 5 TICIPANTS IN EARLY CHILDHOOD EDUCATION  
 6 PROGRAMS.—In the case of an eligible partner-  
 7 ship focusing on early childhood educator prep-  
 8 aration, implement initiatives that increase  
 9 compensation for early childhood educators who  
 10 attain associate or baccalaureate degrees in  
 11 early childhood education.

12 “(E) RECENT PROGRAM GRADUATE PER-  
 13 FORMANCE.—Increase capacity and collect and  
 14 analyze data on the performance of recent pro-  
 15 gram graduates of educator residency pro-  
 16 grams, including data on—

17 “(i) results from statewide teacher or  
 18 school leader evaluation systems;

19 “(ii) recent program graduate reten-  
 20 tion rates in full-time positions;

21 “(iii) satisfaction survey outcomes;  
 22 and

23 “(iv) to the extent practicable, surveys  
 24 of parents on how well the teacher or

1 school leader engages parents in student  
2 learning activities.

3 “(F) COMPREHENSIVE LITERACY INSTRU-  
4 TION.—Strengthen comprehensive literacy in-  
5 struction, that—

6 “(i) incorporates effective literacy in-  
7 struction; and

8 “(ii) is designed to support—

9 “(I) developmentally appropriate,  
10 contextually explicit, systematic in-  
11 struction, and frequent practice, in  
12 reading across content areas; and

13 “(II) developmentally appropriate  
14 and contextually explicit instruction,  
15 and frequent practice, in writing  
16 across content areas.

17 “(3) TEACHER RESIDENCY PROGRAMS.—In ad-  
18 dition to the requirements under paragraph (2), an  
19 eligible partnership receiving a grant under this sec-  
20 tion to design and implement an effective teacher  
21 residency program, shall include the following re-  
22 quirements:

23 “(A) REFORMS.—Implementing reforms,  
24 including—

1 “(i) curriculum changes that are  
 2 aligned with the needs of the high-need  
 3 local educational agency in the eligible  
 4 partnership, in order to improve, evaluate,  
 5 and assess how well all prospective and  
 6 new teachers develop teaching skills;

7 “(ii) using empirically-based practice  
 8 and scientifically valid research, where ap-  
 9 plicable, about teaching and learning so  
 10 that all prospective teachers and, as appli-  
 11 cable, early childhood educators—

12 “(I) are prepared to be highly ef-  
 13 fective teachers and, as applicable,  
 14 highly competent early childhood edu-  
 15 cators;

16 “(II) understand and can imple-  
 17 ment research-based teaching prac-  
 18 tices in classroom instruction;

19 “(III) possess strong teaching  
 20 skills and an understanding of effec-  
 21 tive instructional strategies across all  
 22 applicable content areas that enable  
 23 all teachers to—

24 “(aa) meet the specific  
 25 learning needs of all students, in-

1 including students with disabilities,  
2 English learners, students who  
3 are gifted and talented, students  
4 with low literacy levels and, as  
5 applicable, children in early child-  
6 hood education programs;

7 “(bb) differentiate instruc-  
8 tion for such students;

9 “(cc) have knowledge of stu-  
10 dent learning styles;

11 “(dd) analyze the results of  
12 student learning and other data  
13 to improve instruction;

14 “(ee) effectively participate  
15 as a member of the individualized  
16 education program team, as de-  
17 fined in section 614(d)(1)(B) of  
18 the Individuals with Disabilities  
19 Education Act in order to ensure  
20 individualized education plans  
21 promote student success;

22 “(ff) if applicable, success-  
23 fully employ effective strategies  
24 for comprehensive literacy in-  
25 struction; and

1 “(gg) employ techniques to  
 2 improve children’s cognitive, so-  
 3 cial, emotional, and physical de-  
 4 velopment;

5 “(IV) if applicable, receive train-  
 6 ing on effective teaching in rural or  
 7 diverse communities and on teaching  
 8 students with disabilities and English  
 9 learners; and

10 “(V) can effectively teach stu-  
 11 dents with disabilities; and

12 “(iii) administering satisfaction sur-  
 13 veys to employers of recent program grad-  
 14 uates and to recent program graduates.

15 “(B) CLINICAL TRAINING.—Implementing  
 16 at least 1 academic year of preservice high-  
 17 quality clinical training in high-need schools  
 18 that includes the following criteria:

19 “(i) Integration of pedagogy, robust  
 20 classroom practice, and mentoring to pro-  
 21 mote effective teaching skills.

22 “(ii) Engagement of teacher residents  
 23 in rigorous coursework, which shall be  
 24 aligned to the needs of the high-need local

educational agency in the eligible partnership.

“(iii) Establishment of clear criteria for the selection and assignment of mentor teachers.

“(iv) Placement of teacher residents in cohorts that facilitate professional collaboration, both among teacher residents and between such teacher residents and mentors in the receiving school.

“(v) Support for teacher residents, once the teacher residents are hired as teachers of record, through an induction program, high-quality professional development, and regular opportunities to support the residents in their development of teaching skills during not less than the residents’ first 2 years of teaching.

“(C) SELECTION OF INDIVIDUALS AS  
TEACHER RESIDENTS.—

“(i) ELIGIBLE INDIVIDUAL.—In order to be eligible to be a teacher resident in a teacher residency program under this paragraph, an individual shall—

“(I) be—

1                   “(aa) a graduate of a 4-year  
2                   institution of higher education; or

3                   “(bb) in the third or fourth  
4                   year of undergraduate bacca-  
5                   laureate education being pursued  
6                   by the teacher candidate; and

7                   “(II) submit an application to  
8                   the teacher residency program.

9                   “(ii) SELECTION CRITERIA.—An eligi-  
10                  ble partnership carrying out a teacher resi-  
11                  dency program under this subsection shall  
12                  establish criteria for the selection of eligi-  
13                  ble individuals to participate in the teacher  
14                  residency program, aligned to the hiring  
15                  needs and objectives of the high-need local  
16                  educational agency in the eligible partner-  
17                  ship, and based on, at a minimum, the fol-  
18                  lowing applicant characteristics:

19                       “(I) Strong content knowledge or  
20                       record of accomplishment in the field  
21                       or subject area to be taught.

22                       “(II) Strong verbal and written  
23                       communication skills.

24                       “(III) Other attributes linked to  
25                       effective teaching, which may be de-

1                   terminated by interviews or performance  
 2                   assessments, as specified by the eligi-  
 3                   ble partnership.

4                   “(IV) Demonstrated commit-  
 5                   ment, which could be evidenced by  
 6                   past work experience, to serving in  
 7                   high-need local educational agencies.

8                   “(V) Demonstrated leadership in  
 9                   past education or work experiences.

10               “(4) SCHOOL LEADER RESIDENCY PRO-  
 11               GRAMS.—In addition to the requirements under  
 12               paragraph (2), an eligible partnership receiving a  
 13               grant under this section to design and implement an  
 14               effective school leader residency program, shall in-  
 15               clude the following requirements:

16               “(A) REFORMS.—Implementing reforms,  
 17               including the following:

18               “(i) Preparing prospective school lead-  
 19               ers for careers as principals, assistant  
 20               principals, early childhood education pro-  
 21               gram directors, or other school leaders (in-  
 22               cluding individuals preparing to work in  
 23               high-need local educational agencies lo-  
 24               cated in rural areas who may perform mul-

1           multiple duties in addition to the role of a  
2           school leader).

3           “(ii) Promoting strong leadership  
4           skills and, as applicable, techniques for  
5           school leaders to effectively—

6                       “(I) develop a shared vision for  
7                       high achievement and college- and ca-  
8                       reer-readiness for all students;

9                       “(II) support teachers in imple-  
10                      menting rigorous curricula and assess-  
11                      ments tied to State challenging aca-  
12                      demic content standards and chal-  
13                      lenging student academic achievement  
14                      standards adopted pursuant to section  
15                      1111(b) of the Elementary and Sec-  
16                      ondary Education Act of 1965;

17                      “(III) create and maintain a  
18                      data-driven, professional learning  
19                      community within the school leader’s  
20                      school and understand the teaching  
21                      skills needed to support successful  
22                      classroom instruction and to use data  
23                      to evaluate teacher instruction and  
24                      drive teacher and student learning;

1           “(IV) recruit, hire, assign, and  
2 retain effective teachers and complete  
3 high-quality evaluations of instruc-  
4 tional staff for continuous improve-  
5 ment;

6           “(V) provide a climate conducive  
7 to the professional development of  
8 teachers, with a focus on improving  
9 student academic achievement and the  
10 development of effective instructional  
11 leadership skills;

12          “(VI) manage resources and  
13 school time to improve student aca-  
14 demic achievement, and to ensure the  
15 school environment is safe;

16          “(VII) engage and involve fami-  
17 lies, community members, the local  
18 educational agency, businesses, and  
19 other community leaders, to respond  
20 to the diverse interests and needs and  
21 leverage additional resources to im-  
22 prove student academic achievement;

23          “(VIII) understand how students  
24 learn and develop in order to increase  
25 academic achievement for all students,

1 including students with disabilities  
 2 and English learners; and

3 “(IX) understand the varied roles  
 4 and responsibilities of general and  
 5 special educators and teachers of  
 6 English as a second language to sup-  
 7 port meaningful observation, feedback,  
 8 and evaluations.

9 “(B) CLINICAL TRAINING.—Implementing  
 10 at least 1 academic year of high-quality clinical  
 11 training in high-need schools that includes the  
 12 following criteria:

13 “(i) Integration of coursework, robust  
 14 school-based practice, and mentoring, to  
 15 promote effective leadership skills.

16 “(ii) Engagement of school leader  
 17 residents in rigorous coursework, which  
 18 shall be aligned to the needs of the high-  
 19 need local educational agency in the eligi-  
 20 ble partnership.

21 “(iii) Establishment of clear criteria  
 22 for the selection and assignment of mentor  
 23 school leaders.

24 “(iv) Placement of school leader resi-  
 25 dents in cohorts that facilitate professional

1 collaboration, both among school leader  
 2 residents and between such school leader  
 3 residents and mentors in the receiving  
 4 school.

5 “(v) Support for school leader resi-  
 6 dents once such school leader residents are  
 7 hired as school leaders, through an induc-  
 8 tion program, high-quality professional de-  
 9 velopment, and regular opportunities, to  
 10 support residents in their development of  
 11 leadership skills during not less than the  
 12 residents’ first 2 years of serving as a  
 13 school leader.

14 “(C) SELECTION OF INDIVIDUALS AS  
 15 SCHOOL LEADER RESIDENTS.—

16 “(i) ELIGIBLE INDIVIDUAL.—In order  
 17 to be eligible to be a school leader resident  
 18 in a school leader residency program under  
 19 this paragraph, an individual shall—

20 “(I) be a graduate of a 4-year in-  
 21 stitution of higher education;

22 “(II) have prior prekindergarten  
 23 through grade 12 teaching experience;

1                   “(III) have experience as an ef-  
2                   fective leader, manager, and commu-  
3                   nicator; and

4                   “(IV) submit an application to  
5                   the residency program.

6                   “(ii) SELECTION CRITERIA.—An eligi-  
7                   ble partnership carrying out a school lead-  
8                   er residency program under this subsection  
9                   shall establish criteria for the selection of  
10                  eligible individuals to participate in the  
11                  school leader residency program, aligned to  
12                  the hiring needs and objectives of the high-  
13                  need local educational agency in the eligi-  
14                  ble partnership, and based on, at a min-  
15                  imum, the following applicant characteris-  
16                  tics:

17                   “(I) Demonstrated leadership  
18                   skills in an elementary school or sec-  
19                   ondary school setting.

20                   “(II) Strong record of accom-  
21                   plishment in prior prekindergarten  
22                   through grade 12 teaching experience.

23                   “(III) Strong verbal and written  
24                   communication skills.

1                   “(IV) Other attributes linked to  
2                   effective leadership.

3                   “(V) Demonstrated commitment,  
4                   which may be evidenced by past work  
5                   experience, to serving in high-need  
6                   local educational agencies.

7                   “(5) STIPENDS OR SALARIES; APPLICATIONS;  
8                   AGREEMENTS; REPAYMENTS.—

9                   “(A) STIPENDS OR SALARIES.—A teacher  
10                  residency program or school leader residency  
11                  program funded under this subsection shall pro-  
12                  vide a 1-year living stipend or salary to each  
13                  teacher or school leader resident during the  
14                  residency program.

15                  “(B) APPLICATIONS FOR STIPENDS OR  
16                  SALARIES.—Each teacher or school leader resi-  
17                  dency candidate desiring a stipend or salary  
18                  during the period of residency shall submit an  
19                  application to the eligible partnership at such  
20                  time, and containing such information and as-  
21                  surances, as the eligible partnership may re-  
22                  quire.

23                  “(C) AGREEMENTS TO SERVE.—Each ap-  
24                  plication submitted under subparagraph (B)

1 shall contain or be accompanied by an agree-  
2 ment that the applicant will—

3 “(i) serve as a full-time teacher or  
4 school leader for a total of not less than 3  
5 academic years immediately after success-  
6 fully completing the teacher residency pro-  
7 gram or school leader residency program;

8 “(ii) fulfill the requirement under sub-  
9 clause (i)—

10 “(I) by serving as a teacher in a  
11 high-need subject or field in a high-  
12 need school served by the high-need  
13 local educational agency in the eligible  
14 partnership or serving as a school  
15 leader in such a school; or

16 “(II) if there is no appropriate  
17 position available in a high-need  
18 school served by the high-need local  
19 educational agency in the eligible  
20 partnership, by serving as a teacher in  
21 a high-need subject or field in a high-  
22 need school in another high-need local  
23 educational agency or serving as a  
24 school leader in such a school;

1 “(iii) provide to the eligible partner-  
 2 ship a certificate, from the chief adminis-  
 3 trative officer of the local educational  
 4 agency in which the resident is employed,  
 5 of the employment required in clauses (i)  
 6 and (ii) at the beginning of, and upon com-  
 7 pletion of, each year or partial year of  
 8 service;

9 “(iv) for teachers, meet the require-  
 10 ments to be a highly qualified teacher, as  
 11 defined in section 9101 of the Elementary  
 12 and Secondary Education Act of 1965, or  
 13 section 602 of the Individuals with Disabil-  
 14 ities Education Act, when the applicant be-  
 15 gins to fulfill the service obligation under  
 16 this subparagraph; and

17 “(v) comply with the requirements set  
 18 by the eligible partnership under subpara-  
 19 graph (D) if the applicant is unable or un-  
 20 willing to complete the service obligation  
 21 required under this subparagraph.

22 “(D) REPAYMENTS.—

23 “(i) IN GENERAL.—An eligible part-  
 24 nership receiving a grant under this sec-  
 25 tion to design and implement an effective

1 educator residency program shall require a  
2 recipient of a stipend or salary under sub-  
3 paragraph (A) who does not complete, or  
4 who notifies the eligible partnership that  
5 the recipient intends not to complete, the  
6 service obligation required under subpara-  
7 graph (C) to repay such stipend or salary  
8 to the eligible partnership, together with  
9 interest, at a rate specified by the eligible  
10 partnership in the agreement, and in ac-  
11 cordance with such other terms and condi-  
12 tions specified by the eligible partnership,  
13 as necessary.

14 “(ii) OTHER TERMS AND CONDI-  
15 TIONS.—Any other terms and conditions  
16 specified by the eligible partnership may  
17 include reasonable provisions for pro-rata  
18 repayment of the stipend or salary de-  
19 scribed in subparagraph (A) or for deferral  
20 of a teacher or school leader resident’s  
21 service obligation required by subpara-  
22 graph (C) on grounds of health, incapaci-  
23 tation, inability to secure employment in a  
24 school served by the eligible partnership,  
25 being called to active duty in the Armed

1 Forces of the United States, or other ex-  
2 traordinary circumstances.

3 “(iii) USE OF REPAYMENTS.—An eli-  
4 gible partnership shall use any repayment  
5 received under this subparagraph to carry  
6 out additional activities that are consistent  
7 with the purposes of this subsection.

8 “(d) CONSULTATION.—

9 “(1) IN GENERAL.—In addition to the require-  
10 ments identified in subsection (b)(2)(A), members of  
11 an eligible partnership that receives a grant under  
12 this section shall engage in regular consultation  
13 throughout the development and implementation of  
14 programs and activities carried out under this sec-  
15 tion.

16 “(2) REGULAR COMMUNICATION.—To ensure  
17 timely and meaningful consultation as described in  
18 paragraph (1), regular communication shall occur  
19 among all members of the eligible partnership, in-  
20 cluding the high-need local educational agency. Such  
21 communication shall continue throughout the imple-  
22 mentation of the grant and the assessment of pro-  
23 grams and activities under this section.

24 “(3) WRITTEN CONSENT.—The Secretary may  
25 approve changes in grant activities of a grant under

1       this section only if the eligible partnership submits  
 2       to the Secretary a written consent to such changes  
 3       signed by all members of the eligible partnership.

4       “(e) CONSTRUCTION.—Nothing in this section shall  
 5       be construed to prohibit an eligible partnership from using  
 6       grant funds to coordinate with the activities of eligible  
 7       partnerships in other States or on a regional basis through  
 8       Governors, State boards of education, State educational  
 9       agencies, State agencies responsible for early childhood  
 10      education, local educational agencies, or State agencies for  
 11      higher education.

12      “(f) SUPPLEMENT, NOT SUPPLANT.—Funds made  
 13      available under this section shall be used to supplement,  
 14      and not supplant, other Federal, State, and local funds  
 15      that would otherwise be expended to carry out activities  
 16      under this section.

17      “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
 18      are authorized to be appropriated to carry out this section  
 19      such sums as may be necessary for fiscal year 2015 and  
 20      each of the 5 succeeding fiscal years.

21      **“SEC. 203. ADMINISTRATIVE PROVISIONS OF EDUCATOR**  
 22                                   **RESIDENCY GRANTS.**

23      “(a) DURATION; NUMBER OF AWARDS; PAY-  
 24      MENTS.—

25                   “(1) DURATION.—

1           “(A) IN GENERAL.—A grant awarded  
2           under this part shall be not more than 5 years  
3           in duration.

4           “(B) REQUIREMENTS FOR ADDITIONAL  
5           FUNDING.—Before receiving funding for the  
6           third or any subsequent year of a grant under  
7           this part, the eligible partnership receiving the  
8           grant shall demonstrate to the Secretary that  
9           the eligible partnership is—

10           “(i) making progress in implementing  
11           the requirements under section 202(c) at a  
12           rate that the Secretary determines will re-  
13           sult in full implementation of the program  
14           during the remainder of the grant period;  
15           and

16           “(ii) making progress, as measured by  
17           the performance objectives established by  
18           the eligible partnership under section  
19           204(a), at a rate that the Secretary deter-  
20           mines will result in reaching the targets  
21           and achieving the objectives of the grant,  
22           during the remainder of the grant period.

23           “(2) NUMBER OF AWARDS.—An eligible part-  
24           nership may not receive more than 1 grant during  
25           a 5-year period. Nothing in this part shall be con-

1       strued to prohibit an individual member, that can  
 2       demonstrate need, of an eligible partnership that re-  
 3       ceives a grant under this part from entering into an-  
 4       other eligible partnership consisting of new members  
 5       and receiving a grant with such other eligible part-  
 6       nership before the 5-year period applicable to the eli-  
 7       gible partnership with which the individual member  
 8       has first partnered has expired.

9       “(b) PEER REVIEW.—

10           “(1) PANEL.—The Secretary shall provide the  
 11       applications submitted under this part to a peer re-  
 12       view panel for evaluation. With respect to each ap-  
 13       plication, the peer review panel shall initially rec-  
 14       ommend the application for funding or for dis-  
 15       approval.

16           “(2) PRIORITY.—The Secretary, in funding ap-  
 17       plications under this part, shall give priority—

18                   “(A) to eligible partnerships that include a  
 19                   high-need local educational agency that serves a  
 20                   student population that consists of 40 percent  
 21                   or more students from low-income families;

22                   “(B) to eligible partnerships that include  
 23                   an institution of higher education whose educa-  
 24                   tor preparation program has a rigorous selec-

1           tion process to ensure the highest quality of  
2           students entering such program;

3                 “(C) to applications from broad-based eli-  
4           gible partnerships that involve businesses and  
5           nonprofit community organizations; or

6                 “(D) to eligible partnerships so that the  
7           awards promote an equitable geographic dis-  
8           tribution of grants among rural and urban  
9           areas.

10               “(3) SECRETARIAL SELECTION.—The Secretary  
11           shall determine, based on the peer review process,  
12           which applications shall receive funding and the  
13           amounts of the grants under this part. In deter-  
14           mining grant amounts, the Secretary shall take into  
15           account the total amount of funds available for all  
16           grants under this part and the types of activities  
17           proposed to be carried out by the eligible partner-  
18           ship.

19               “(c) MATCHING REQUIREMENTS.—

20                 “(1) IN GENERAL.—Each eligible partnership  
21           receiving a grant under this part shall provide, from  
22           non-Federal sources, an amount equal to 100 per-  
23           cent of the amount of the grant, which may be pro-  
24           vided in cash or in-kind, to carry out the activities  
25           supported by the grant.

1           “(2) WAIVER.—The Secretary may waive all or  
 2           part of the matching requirement described in para-  
 3           graph (1) for any fiscal year for an eligible partner-  
 4           ship if the Secretary determines that applying the  
 5           matching requirement to the eligible partnership  
 6           would result in serious hardship or an inability to  
 7           carry out the authorized activities described in this  
 8           part.

9           “(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—  
 10          An eligible partnership that receives a grant under this  
 11          part may use not more than 4 percent of the funds pro-  
 12          vided to administer the grant.

13       **“SEC. 204. PERFORMANCE MEASURES AND EVALUATION OF**  
 14               **EDUCATOR RESIDENCY GRANTS.**

15       “(a) ELIGIBLE PARTNERSHIP EVALUATION.—Each  
 16          eligible partnership submitting an application for a grant  
 17          under this part shall establish, and include in such appli-  
 18          cation, a plan for evaluating the grant project using sci-  
 19          entifically valid research that includes strong and measur-  
 20          able performance objectives. The plan shall include, at a  
 21          minimum, objectives and measures for determining the eli-  
 22          gible partnership’s success in increasing—

23               “(1) each teacher candidate or school leader  
 24          candidate’s performance during their clinical train-

1 ing under paragraphs (3)(B) and (4)(B) of section  
2 202(c);

3 “(2) educator retention in high-need schools—

4 “(A) 3 years after initial placement as a  
5 teacher or school leader; and

6 “(B) 5 years after initial placement as a  
7 teacher or school leader;

8 “(3) the pass rates and scaled scores for first  
9 time test takers on the State certification or licens-  
10 ing examination;

11 “(4) educator effectiveness, as measured by—

12 “(A) performance on teacher or school  
13 leader evaluations, including impact on student  
14 growth; and

15 “(B) satisfaction survey outcomes; and

16 “(5) the percentage of—

17 “(A) recent program graduates hired by  
18 the high-need local educational agency who are  
19 rated effective under a State or district evalua-  
20 tion system 2 years after program completion;

21 “(B) recent program graduates hired by  
22 the high-need local educational agency who are  
23 rated effective under a State or district evalua-  
24 tion system 2 years after program completion  
25 and are members of underrepresented groups;

1           “(C) recent program graduates hired by  
2           the high-need local educational agency who are  
3           rated effective under a State or district evalua-  
4           tion system 2 years after program completion  
5           and who teach in high-need subject areas or  
6           fields;

7           “(D) recent program graduates hired by  
8           the high-need local educational agency who are  
9           rated effective under a State or district evalua-  
10          tion system 2 years after program completion  
11          and who serve in high-need schools or schools  
12          in rural areas, disaggregated by the elementary  
13          school and secondary school levels; and

14          “(E) early childhood education program  
15          classes in the geographic area served by the eli-  
16          gible partnership taught by early childhood edu-  
17          cators who are highly competent, as applicable.

18          “(b) ANNUAL REPORT.—Each eligible partnership  
19          that receives a grant under this part shall submit to the  
20          Secretary and make publicly available, at such time and  
21          in such manner as the Secretary may require, an annual  
22          report including at a minimum—

23                 “(1) data on the eligible partnership’s progress  
24                 on the measures described in subsection (a); and

1           “(2) a description of the challenges the eligible  
2           partnership has faced in implementing its grant and  
3           how the eligible partnership has addressed or plans  
4           to address such challenges.

5           “(c) INFORMATION.—An eligible partnership receiv-  
6           ing a grant under this part shall ensure that candidates  
7           for admission to educator preparation programs, teachers,  
8           school leaders, school superintendents, faculty, and leader-  
9           ship at institutions of higher education located in the geo-  
10          graphic areas served by the eligible partnership are pro-  
11          vided information, including through electronic means,  
12          about the activities carried out with funds under this part.

13          “(d) REVISED APPLICATION.—If the Secretary deter-  
14          mines that an eligible partnership receiving a grant under  
15          this part is not making substantial progress in meeting  
16          the purposes, goals, objectives, and measures of the grant,  
17          as appropriate, by the end of the third year of a grant  
18          under this part, then the Secretary—

19                 “(1) shall cancel the grant; and

20                 “(2) may use any funds returned or available  
21                 because of such cancellation under paragraph (1)  
22                 to—

23                         “(A) increase other grant awards under  
24                         this part; or

1                   “(B) award new grants to other eligible  
2                   partnerships under this part.

3           “(e) TECHNICAL ASSISTANCE, EVALUATION, AND  
4 DISSEMINATION.—The Secretary shall reserve not more  
5 than 2 percent of the funds appropriated under section  
6 202(g) for a fiscal year—

7                   “(1) to provide, directly or through grants, con-  
8                   tracts, or cooperative agreements, technical assist-  
9                   ance by qualified experts on using practices ground-  
10                  ed in scientifically valid research to improve the out-  
11                  comes of projects funded under this part;

12                  “(2) acting through the Director of the Insti-  
13                  tute for Education Sciences, to—

14                   “(A) develop performance measures, in-  
15                   cluding the measures described in subsection  
16                   (a) and evaluate the activities funded under sec-  
17                   tion 202 by these performance measures by ap-  
18                   plying the same measures to each project fund-  
19                   ed under section 202;

20                   “(B) report the findings of the evaluation  
21                   to the authorizing committees and make pub-  
22                   licly available on the website of the Department;  
23                   and

24                   “(C) identify best practices and dissemi-  
25                   nate research on best practices that scientif-

1 ically valid research indicates are the most suc-  
 2 cessful in improving the quality of educator  
 3 preparation programs, including through re-  
 4 gional educational laboratories and comprehen-  
 5 sive centers (as authorized under the Education  
 6 Sciences Reform Act of 2002).

7 “(f) EVALUATION TO BE MADE PUBLICLY AVAIL-  
 8 ABLE.—Each eligible partnership receiving a grant under  
 9 this part shall complete and make publicly available, not  
 10 later than 90 days after the grant period for such eligible  
 11 partnership ends, an evaluation based on the evaluation  
 12 plan described under subsection (a).

13 “(g) DEVELOPMENT OF PERFORMANCE MEAS-  
 14 URES.—The Secretary shall develop performance meas-  
 15 ures described in subsection (e) prior to awarding grants  
 16 under this part. The Secretary shall ensure that such  
 17 measures are made available to potential applicants prior  
 18 to seeking applications for grants under this part.

19 **“PART B—STATE INNOVATION IN EDUCATOR**  
 20 **PREPARATION**

21 **“SEC. 206. EDUCATOR PREPARATION PROGRAM REFORM**  
 22 **GRANTS.**

23 “(a) DEFINITIONS.—In this section:

24 “(1) EDUCATOR PREPARATION PROGRAM AC-  
 25 COUNTABILITY AND IMPROVEMENT SYSTEM.—The

1 term ‘Educator Preparation Program Accountability  
2 and Improvement System’ means a system that as-  
3 sesses all educator preparation programs within a  
4 State, establishes performance levels for educator  
5 preparation programs, and informs the interventions  
6 for low-performing educator preparation programs.  
7 The minimum requirements for such a system shall  
8 include—

9 “(A) defining at least 4 performance levels  
10 that differentiate the performance of educator  
11 preparation programs based on data required in  
12 subparagraph (D);

13 “(B) administering satisfaction surveys to  
14 employers of recent program graduates;

15 “(C) administering satisfaction surveys to  
16 recent program graduates;

17 “(D) assessing all such educator prepara-  
18 tion programs on multiple measures that, at a  
19 minimum, shall include—

20 “(i) for teacher preparation pro-  
21 grams—

22 “(I) a statewide measure of  
23 teacher impact on student learning for  
24 recent program graduates who are

1 employed as full-time teachers as  
2 demonstrated through either—

3 “(aa) the percentage of re-  
4 cent program graduates in each  
5 evaluation rating category for  
6 States that have statewide teach-  
7 er evaluation systems if such  
8 evaluation systems contain the  
9 impact on student achievement,  
10 multiple measures, and more  
11 than 2 rating categories; or

12 “(bb) for States that do not  
13 have a statewide teacher evalua-  
14 tion system meeting the require-  
15 ments in item (aa), the percent-  
16 age of recent program graduates  
17 who demonstrate evidence of im-  
18 proved student growth that is  
19 limited to evidence-based or ex-  
20 ternally-validated measures;

21 “(II) the number and percentage  
22 of recent program graduates employed  
23 as full time teachers who are identi-  
24 fied as well-prepared by their employ-

ers in the surveys described in subparagraph (B);

“(III) the number and percentage of recent graduates employed as full-time teachers who identify themselves as being well-prepared in surveys described in subparagraph (C);

“(IV) the number and percentage of teachers who graduated from teacher preparation programs and who are still teaching in full-time positions 3 years and 5 years after initial placement as a teacher; and

“(V) the number and percentage of teachers who graduated from the educator preparation program in the most recent academic year who are teaching in full-time positions;

“(ii) for school leader preparation programs—

“(I) a statewide measure of school leader impact on student learning for recent program graduates who are employed as full-time school leaders as demonstrated through either—

1           “(aa) the percentage of re-  
2           cent program graduates in each  
3           evaluation rating category for  
4           States that have statewide school  
5           leader evaluation systems that in-  
6           clude the impact on student  
7           achievement, multiple measures,  
8           and more than 2 rating cat-  
9           egories; or

10           “(bb) for States that do not  
11           have school leader evaluation sys-  
12           tems that meet the requirements  
13           of item (aa), the percentage of  
14           recent program graduates who  
15           demonstrate evidence of improved  
16           student achievement and growth  
17           that is limited to evidence-based  
18           or externally-validated measures;

19           “(II) evidence of training school  
20           leaders to provide strong instructional  
21           leadership and support to teachers  
22           and other staff;

23           “(III) the number and percent-  
24           age of recent program graduates em-  
25           ployed as full time school leaders who

are identified as well-prepared in the surveys described in subparagraph (B);

“(IV) the number and percentage of recent program graduates employed as school leaders who, based on surveys described in subparagraph (C), described themselves as prepared to be effective school leaders;

“(V) the number and percentage of school leaders who graduated from the educator preparation program in the most recent academic year who are employed as school leaders; and

“(VI) the number and percentage of school leaders who graduated from programs and are still serving in a school leadership role 3 years and 5 years after initial placement as a school leader;

“(iii) for all educator preparation programs—

“(I) evidence of meaningful collaboration with high-need local educational agencies to ensure the educa-

- 1                   tor preparation programs are pre-  
2                   paring educators to meet the work-  
3                   force needs of high-need local edu-  
4                   cational agencies and to ensure that  
5                   high-need local educational agencies  
6                   have a role in the design of the teach-  
7                   er or school leader candidate edu-  
8                   cation offered at educator preparation  
9                   programs; and
- 10                   “(II) the number and percentage  
11                   of graduates who are working as full-  
12                   time teachers or school leaders in  
13                   high-need schools after 3 years;
- 14                   “(E) using the same metrics and weights  
15                   to determine the performance level of all educa-  
16                   tor preparation programs in the State;
- 17                   “(F) public reporting of performance levels  
18                   on a program by program basis based on the  
19                   measures described in subparagraph (D);
- 20                   “(G) distribution of educator preparation  
21                   program performance information to all local  
22                   educational agencies and school boards in the  
23                   State;

“(H) interventions for programs identified as low performing pursuant to subparagraph (A), including—

“(i) for programs identified as low performing for 1 year, requiring such programs to conduct a needs assessment and develop and implement an improvement plan based on that needs assessment;

“(ii) for programs identified as low performing for 3 consecutive years, requiring such programs to lose eligibility for TEACH grants under subpart 9 of part A of title IV and continue to implement an improvement plan; and

“(iii) for programs identified as low performing for 4 consecutive years, requiring the State to terminate the ability of such program to operate; and

“(I) for programs identified in the lowest performing level for 1 or more years under subparagraph (A), an automatic designation as a low performing program under section 212.

“(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

“(A) a State; or

1 “(B) a consortium of States.

2 “(b) PROGRAM AUTHORIZED.—

3 “(1) EDUCATOR PREPARATION PROGRAM RE-  
4 FORM GRANTS.—The Secretary shall award grants  
5 to eligible entities to enable such entities to reform  
6 and improve educator preparation programs.

7 “(2) DURATION.—

8 “(A) IN GENERAL.—A grant awarded  
9 under this section shall be not more than 5  
10 years in duration.

11 “(B) NUMBER OF GRANTS.—A State shall  
12 not receive, directly or as part of a consortium,  
13 more than 1 grant under this section for any  
14 grant period.

15 “(C) REQUIREMENTS FOR ADDITIONAL  
16 FUNDING.—Before receiving funding for the  
17 third or any subsequent year of the grant, the  
18 eligible entity receiving the grant shall dem-  
19 onstrate to the Secretary that the eligible entity  
20 is—

21 “(i) making progress in implementing  
22 the plan under subsection (c)(1)(A) at a  
23 rate that the Secretary determines will re-  
24 sult in full implementation of the plan dur-  
25 ing the remainder of the grant period; and

1 “(ii) making progress, as measured by  
2 the performance measures established by  
3 the Secretary under subsection (h), at a  
4 rate that the Secretary determines will re-  
5 sult in reaching the measures and achiev-  
6 ing the objectives of the grant, during the  
7 remainder of the grant period.

8 “(D) SUBSTANTIAL PROGRESS.—

9 “(i) IN GENERAL.—If the Secretary  
10 determines that an eligible entity receiving  
11 a grant under this section is not making  
12 substantial progress in meeting the objec-  
13 tives of the grant, as appropriate, by the  
14 end of the third year of the grant under  
15 this section, then the Secretary may, after  
16 notice and an opportunity for a hearing in  
17 accordance with chapter 5 of title 5,  
18 United States Code—

19 “(I) withhold funds provided  
20 under the grant under this section for  
21 failure to comply substantially with  
22 the requirements of this section; or

23 “(II) take actions to recover  
24 funds provided under the grant if the  
25 entity uses grant funds for an unal-

1 lowable expense, or otherwise fails to  
2 discharge its responsibility to properly  
3 account for grant funds.

4 “(ii) USE OF RECOVERED OR UNUSED  
5 FUNDS.—Any funds recovered or withheld  
6 under clause (i) shall—

7 “(I) be credited to the appropria-  
8 tions account from which amounts are  
9 available to make grants under this  
10 section; and

11 “(II) remain available until ex-  
12 pended for any purpose of such ac-  
13 count authorized by law that relates  
14 to the program under this section.

15 “(E) RESERVATION OF FUNDS.—From  
16 amounts made available to carry out this sec-  
17 tion for a fiscal year, the Secretary may reserve  
18 not more than 5 percent to carry out activities  
19 related to technical assistance, outreach and  
20 dissemination, and evaluation.

21 “(c) APPLICATION AND SELECTION CRITERIA.—

22 “(1) APPLICATION.—An eligible entity that de-  
23 sires to receive a grant under this section shall sub-  
24 mit to the Secretary an application at such time, in  
25 such manner, and accompanied by such information

1 as the Secretary may require. At a minimum, each  
2 such application shall include—

3 “(A) a plan to implement the required ac-  
4 tivities in subsection (e)(1) statewide, including  
5 a description of its plan to support educator  
6 preparation programs to make the necessary re-  
7 forms and improvements required under this  
8 section;

9 “(B) an assurance that the eligible entity  
10 will use the Educator Preparation Program Ac-  
11 countability and Improvement System to reward  
12 high-performing educator preparation programs  
13 and identify and improve low-performing educa-  
14 tor preparation programs and the specific cri-  
15 teria the eligible entity will use to identify low-  
16 performing and high-performing educator prep-  
17 aration programs;

18 “(C) evidence of the steps the State has  
19 taken and will take to eliminate statutory, regu-  
20 latory, procedural, or other barriers to facilitate  
21 the full implementation of the State plans  
22 under subparagraph (A);

23 “(D) a comprehensive and coherent plan  
24 for using funds under this section, and other  
25 Federal, State, and local funds to develop state-

1 wide reforms and improvements to educator  
2 preparation programs;

3 “(E) evidence of collaboration between the  
4 eligible entity, State standards boards for  
5 teacher or school leader certification, local edu-  
6 cational agencies, educator preparation pro-  
7 grams, teachers, school leaders, and other key  
8 stakeholders within the State in developing the  
9 plan under subparagraph (A), including the de-  
10 sign of the Education Preparation Program Ac-  
11 countability and Improvement System;

12 “(F) a commitment to participate in the  
13 reporting provisions under subsection (f) and  
14 the evaluation of the activities carried out under  
15 this section, as described in subsection (h); and

16 “(G) a description of the eligible entity’s  
17 plan to regularly review the success of activities  
18 undertaken as part of the grant and continu-  
19 ously improve such activities.

20 “(2) SELECTION CRITERIA.—In awarding  
21 grants under this section, the Secretary shall con-  
22 sider—

23 “(A) the extent to which the eligible entity  
24 has the capacity to implement the activities de-  
25 scribed in subsection (e);

1           “(B) the extent to which the eligible entity  
2           has a demonstrated record of effectiveness or  
3           an evidence-based plan for reforming educator  
4           preparation programs; and

5           “(C) the likelihood of the eligible entity  
6           sustaining the reforms and improvements re-  
7           quired under the grant, once the grant has  
8           ended and the eligible entity’s plan for sus-  
9           taining the reforms and improvements after the  
10          grant has ended.

11          “(d) AWARDING GRANTS.—In awarding grants under  
12          this section, the Secretary shall give priority to an eligible  
13          entity with—

14               “(1) data systems in place to link the results of  
15               teacher or school leader evaluation systems for re-  
16               cent program graduates back to the educator prepa-  
17               ration programs from which they graduated;

18               “(2) statewide teacher or school leader evalua-  
19               tion systems based on multiple measures, that in-  
20               clude student growth; and

21               “(3) strong partnerships between educator  
22               preparation programs and high-need local edu-  
23               cational agencies.

24          “(e) ACTIVITIES.—

1           “(1) REQUIRED USES OF FUNDS FOR ALL  
2           GRANTEES.—Each eligible entity that receives a  
3           grant under this section shall use the grant funds to  
4           do the following:

5                   “(A) Incorporate into the State’s educator  
6           preparation program approval process a re-  
7           quirement that educator preparation entities—

8                           “(i) successfully recruit top talent and  
9                           hold a high bar for admission to educator  
10                          preparation programs;

11                           “(ii) present evidence demonstrating  
12                          selective admission;

13                           “(iii) provide participants with clinical  
14                          training, including prioritizing clinical  
15                          training in high-need schools;

16                           “(iv) for entities that prepare teach-  
17                          ers, prepare all teachers to effectively teach  
18                          students with disabilities and English  
19                          learners, and for entities that prepare  
20                          school leaders, prepare all school leaders to  
21                          lead schools that effectively address the  
22                          academic needs of students with disabilities  
23                          and English learners;

24                           “(v) for entities that prepare teachers,  
25                          ensure that all teacher candidates dem-

onstrate subject matter mastery and mastery of effective classroom management, and for entities that prepare school leaders, ensure that all school leader candidates demonstrate mastery of school management techniques, including strategies for creating a positive learning environment that conveys high expectations for all students and equitably implementing school discipline policies;

“(vi) ensure that all teachers and school leaders develop teaching skills and school leadership skills, respectively; and

“(vii) are aligned with research-based professional teaching or leadership standards.

“(B) Design and implement an Educator Preparation Program Accountability and Improvement System and require all educator preparation programs to be included in such system.

“(C) Require all educator preparation programs to regularly communicate with the in-State local educational agencies they predominantly serve to ascertain the agencies’ educator

1 workforce needs and whether the educator prep-  
2 aration programs are meeting the workforce  
3 needs and whether recent program graduates  
4 have the skills needed to be effective.

5 “(D) Require all educator preparation pro-  
6 grams to utilize satisfaction surveys of recent  
7 program graduates that are conducted by the  
8 States to improve educator preparation pro-  
9 grams.

10 “(E) Require all educator preparation pro-  
11 grams to utilize satisfaction surveys of employ-  
12 ers that are conducted by the States to ascer-  
13 tain employer satisfaction with recent program  
14 graduates of educator preparation programs.

15 “(F) Ensure statewide data systems, in-  
16 cluding the Educator Preparation Program Ac-  
17 countability and Improvement System, do not  
18 publicly report personally identifiable informa-  
19 tion of educators or elementary school or sec-  
20 ondary school students, comply with section 444  
21 of the General Education Provisions Act ((20  
22 U.S.C. 1232g), commonly known as the ‘Family  
23 Educational Rights and Privacy Act of 1974’),  
24 and share with educator preparation programs  
25 the aggregate data on—

1 “(i) the aggregate impact their recent  
2 program graduates have on student  
3 achievement as demonstrated through  
4 teacher or school leader evaluation results  
5 of their program graduates;

6 “(ii) retention of their program grad-  
7 uates, including at—

8 “(I) 3 years after initial place-  
9 ment as a teacher or school leader;  
10 and

11 “(II) 5 years after initial place-  
12 ment as a teacher or school leader;  
13 and

14 “(iii) the number and percentage of  
15 recent program graduates hired into full-  
16 time positions as teachers or school leaders  
17 within 1 year of certification or licensure.

18 “(G) Report publicly on the aggregate per-  
19 formance of each educator preparation program  
20 operating in the State, including aggregate data  
21 on the measures described in subparagraph (F),  
22 and ensure that key stakeholders such as appli-  
23 cants to teacher preparation programs or school  
24 leader preparation programs, school administra-

1           tors, and school board members, receive these  
2           performance results.

3                 “(H) Redesign certification and licensing  
4           exams to ensure that such exams are aligned  
5           with the State’s challenging academic content  
6           standards and challenging student academic  
7           achievement standards required under section  
8           1111(b) of the Elementary and Secondary Edu-  
9           cation Act of 1965, educator performance as-  
10          sessments, and educator evaluation systems.

11                “(I) Utilize data collected, as described in  
12          subsection (a)(1), in program approval, pro-  
13          gram re-approval, program improvement, and  
14          program closures processes.

15                “(J) Require all educator preparation pro-  
16          grams within the State to offer a high-quality  
17          clinical training to educator candidates.

18                “(2) REQUIRED USES OF FUNDS FOR CON-  
19          SORTIA GRANTEES.—Each eligible entity that re-  
20          ceives a grant under this section and is a consortium  
21          of States shall use the grant funds to carry out the  
22          uses of funds under paragraph (1) and each of the  
23          following:

24                   “(A) Develop consistent program quality  
25          and accountability indicators across State lines.

1           “(B) Develop consistent measures for iden-  
2           tifying educator preparation programs as low  
3           performing.

4           “(C) Develop systems for the sharing of  
5           the data required under the Educator Prepara-  
6           tion Program Accountability and Improvement  
7           System across State lines that complies with all  
8           relevant Federal and State privacy laws, includ-  
9           ing section 444 of the General Education Provi-  
10          sions Act ((20 U.S.C. 1232g), commonly known  
11          as the ‘Family Educational Rights and Privacy  
12          Act of 1974’).

13          “(3) PERMISSIVE USES OF FUNDS.—Each eligi-  
14          ble entity that receives a grant under this section  
15          may use the grant funds (after meeting all the re-  
16          quired uses of funds under paragraph (1) and, as  
17          applicable, paragraph (2)) to do the following:

18               “(A) Incentivize educator preparation pro-  
19               grams to pursue programmatic accreditation.

20               “(B) Improve diversity of teacher or school  
21               leader candidates in educator preparation pro-  
22               grams.

23               “(C) Develop partnerships between high-  
24               need local educational agencies and educator  
25               preparation entities to provide high-quality in-

1           duction programs and mentoring programs for  
2           new educators.

3           “(D) Provide subgrants for educator devel-  
4           opment. In this subparagraph, the term ‘educa-  
5           tor’ means specialized instructional support per-  
6           sonnel, or other staff member who provides or  
7           directly supports instruction, such as a school  
8           librarian, counselor, or paraprofessional.

9           “(E) Include, in the subgrants provided  
10          under subparagraph (D), the following activi-  
11          ties:

12               “(i) Implementing curriculum changes  
13               that improve, evaluate, and assess how well  
14               educators develop instructional skills.

15               “(ii) Preparing educators to use em-  
16               pirically based practice and scientifically  
17               valid research, where applicable.

18               “(iii) Providing pre-service clinical  
19               training.

20               “(iv) Creating induction programs for  
21               new educators.

22               “(v) Aligning recruitment and admis-  
23               sions goals and priorities with the hiring  
24               objectives with local educational agencies

1                   in the State, including high-need local edu-  
2                   cational agencies.

3           “(f) REPORTING.—An eligible entity that receives a  
4 grant under this section shall submit to the Secretary and  
5 make publicly available, at such time and in such manner  
6 as the Secretary may require, an annual report, including,  
7 at a minimum—

8                   “(1) data on the eligible entity’s progress on  
9           the performance measures established by the Sec-  
10          retary under subsection (h);

11                   “(2) a description of the challenges the eligible  
12          entity has faced in implementing its plan under this  
13          section, and how the eligible entity has addressed or  
14          plans to address such challenges; and

15                   “(3) data on educator preparation programs in  
16          the State recruiting and selecting candidates who  
17          are members of groups underrepresented in the  
18          teaching profession.

19           “(g) SUPPLEMENT, NOT SUPPLANT.—Grant funds  
20 provided under this section shall be used to supplement,  
21 and not supplant, any other Federal, State, or local funds  
22 otherwise available to carry out the activities described in  
23 this section.

1       “(h) RESEARCH, EVALUATION, AND DISSEMINA-  
2 TION.—The Secretary, acting through the Director of the  
3 Institute of Education Sciences, shall—

4               “(1) develop performance measures to evaluate  
5 the effectiveness of the activities carried out under  
6 this grant program; and

7               “(2) identify best practices and disseminate re-  
8 search on best practices.

9       “(i) DEVELOPMENT OF PERFORMANCE MEAS-  
10 URES.—The Secretary shall establish performance meas-  
11 ures described under subsection (h) prior to awarding  
12 grants under this section. The Secretary shall ensure that  
13 such measure are made available to potential applicants  
14 prior to seeking applications for grants under this section.

15       “(j) TEACHER OR SCHOOL LEADER PRIVACY.—No  
16 State or local educational agency shall be required to pub-  
17 licly report information in compliance with this section in  
18 a case in which the results would reveal personally identifi-  
19 able information about an individual teacher or school  
20 leader.

21       “(k) CONSTRUCTION.—Nothing in this section shall  
22 be construed to alter or otherwise affect the rights, rem-  
23 edies, and procedures afforded school or school district  
24 employees under Federal, State or local laws (including  
25 applicable regulators or court orders) or under the terms

1 of collective bargaining agreements, memoranda of under-  
 2 standing, or other agreements between such employees  
 3 and their employers.

4 “(l) REPORT TO CONGRESS.—Not later than 5 years  
 5 after the date of enactment of the Higher Education Af-  
 6 fordability Act, the Secretary shall submit a report to the  
 7 Committee on Health, Education, Labor, and Pensions of  
 8 the Senate, the Committee on Appropriations of the Sen-  
 9 ate, the Committee on Education and the Workforce of  
 10 the House of Representatives, and the Committee on Ap-  
 11 propriations of the House of Representatives on lessons  
 12 learned through programs funded with grants awarded  
 13 under this section and shall make such report publicly  
 14 available.

15 “(m) AUTHORIZATION OF APPROPRIATIONS.—There  
 16 are authorized to be appropriated to carry out this section  
 17 such sums as may be necessary for fiscal year 2015 and  
 18 each of the 5 succeeding fiscal years.

19 **“PART C—EDUCATOR PREPARATION PROGRAM**  
 20 **REPORTING AND IMPROVEMENT**

21 **“SEC. 210. INFORMATION ON EDUCATOR PREPARATION**  
 22 **PROGRAMS.**

23 “(a) INSTITUTIONAL AND PROGRAM REPORT CARDS  
 24 ON THE QUALITY OF EDUCATOR PREPARATION.—

1           “(1) REPORT CARD.—Each institution of higher  
 2           education that conducts a traditional educator prep-  
 3           aration program or alternative routes to State cer-  
 4           tification or licensure program and that enrolls stu-  
 5           dents receiving Federal assistance under this Act  
 6           and each educator preparation entity that is not  
 7           based at an institution of higher education and that  
 8           receives Federal assistance shall report annually to  
 9           the State and the general public, in a uniform and  
 10          comprehensible manner that conforms with the defi-  
 11          nitions and methods established by the Secretary,  
 12          the following, in the aggregate for each institution  
 13          and entity and disaggregated by program within  
 14          each institution and entity:

15               “(A) GOALS AND ASSURANCES.—For the  
 16               most recent year for which the information is  
 17               available for the institution or entity—

18                   “(i) whether the goals set under sec-  
 19                   tion 211 have been met; and

20                   “(ii) if the goals under section 211  
 21                   have not been met, a description of the  
 22                   steps the program is taking to improve its  
 23                   performance in meeting such goals.

24               “(B) PASS RATES AND SCALED SCORES.—  
 25               For the most recent year for which the informa-

tion is available for those program participants who took the assessments used for teacher or school leader certification or licensure by the State in which the program is located and are enrolled in the traditional educator preparation program or alternative routes to State certification or licensure program, for each of such assessments—

“(i) the percentage of all program participants who have taken the assessment who have passed such assessment compared to the average passage rate percentage in the State on such assessment;

“(ii) the percentage of all program participants who have taken the assessment who passed such assessment on the first time taking the assessment compared to the first-time average passage rate in the State on such assessment;

“(iii) the percentage of program participants who have taken such assessment and enrolled in the traditional teacher or school leader preparation program or alternative routes to State certification or licensure program, as applicable;

1 “(iv) the average scaled score for all  
 2 program participants who have taken such  
 3 assessment, as compared to the passing  
 4 score required by the State on such assess-  
 5 ment;

6 “(v) the average scaled score for all  
 7 program participants who have taken such  
 8 assessment for the first time compared to  
 9 the average scaled score for programs in  
 10 the State; and

11 “(vi) if applicable, the percentage of  
 12 all program participants who have taken  
 13 and passed a teacher performance assess-  
 14 ment compared to the average passage rate  
 15 for all programs in the State on such as-  
 16 sessment.

17 “(C) CANDIDATE INFORMATION.—For the  
 18 most recent academic year for which data is  
 19 available—

20 “(i) the median cumulative grade  
 21 point average of admitted program partici-  
 22 pants compared to the institution or entity  
 23 as a whole;

24 “(ii) the median score on standardized  
 25 entrance examinations of admitted pro-

gram participants compared to the institution or entity as a whole, as applicable;

“(iii) in the aggregate and disaggregated by race, ethnicity, gender, and Pell Grant recipient status, the number of program participants who—

“(I) enrolled in the program; and

“(II) completed or graduated from the program in 100 percent of normal time and 150 percent of normal time; and

“(iv) the total number of program participants who have been certified or licensed as teachers or school leaders, disaggregated by race, ethnicity, gender, Pell Grant recipient status, subject and area of certification or licensure.

“(D) PROGRAM INFORMATION.—For the most recent academic year for which data is available—

“(i) the percentage of enrolled program participants who participated in a clinical training;

1 “(ii) the number of hours of clinical  
2 training required for program participants;  
3 and

4 “(iii) the percentage of program par-  
5 ticipants graduating from or completing  
6 the program who obtained at minimum 50  
7 percent of clinical training in high-need  
8 schools.

9 “(E) ACCREDITATION AND APPROVAL.—  
10 Whether the program is accredited by a special-  
11 ized accrediting agency recognized by the Sec-  
12 retary for accreditation of professional educator  
13 preparation programs and whether the program  
14 is approved by the State.

15 “(F) DESIGNATION AS LOW-PER-  
16 FORMING.—Whether the program has been des-  
17 igned as low performing by the State under  
18 section 212.

19 “(G) EDUCATOR TRAINING.—A list of the  
20 activities that prepare—

21 “(i) general education and special  
22 education teachers and other educators to  
23 effectively teach students with disabilities  
24 effectively, including training related to  
25 participation as a member of individualized

1 education program teams, as defined in  
 2 section 614(d)(1)(B) of the Individuals  
 3 with Disabilities Education Act, and to ef-  
 4 fectively teach students who are English  
 5 learners; and

6 “(ii) school leaders to effectively de-  
 7 velop a shared vision for high achievement  
 8 and college and career readiness for all  
 9 students, including creating structures and  
 10 staffing to meet the needs of all students,  
 11 in particular students with disabilities and  
 12 English learners.

13 “(2) FINES.—The Secretary may impose a fine  
 14 not to exceed \$27,500 on an institution of higher  
 15 education or educator preparation entity that is not  
 16 based at an institution of higher education for fail-  
 17 ure to provide the information described in this sub-  
 18 section in a timely or accurate manner.

19 “(3) RULE OF CONSTRUCTION.—Nothing in  
 20 this section shall be construed to prevent a State  
 21 from collecting and reporting additional data indica-  
 22 tors regarding teacher preparation programs.

23 “(4) SPECIAL RULE.—In the case of an institu-  
 24 tion of higher education, or educator preparation en-  
 25 tity that is not based at an institution of higher edu-

1 cation, that conducts a traditional educator prepara-  
 2 tion program or alternative routes to State certifi-  
 3 cation or licensure program and has fewer than 10  
 4 program participants in a program, the institution  
 5 or entity shall collect and publish information, as re-  
 6 quired under paragraph (1) over a 3-year period.

7 “(5) PROTECTION FOR TEACHER OR LEADER  
 8 IDENTITY AND DATA VALIDITY.—The Secretary, in  
 9 consultation with the Commissioner of the National  
 10 Center for Education Statistics, shall ensure that  
 11 data collected under paragraph (1) and subsection  
 12 (b) is collected in a way to protect the privacy of  
 13 teacher or school leader candidates, as well as teach-  
 14 ers or school leaders, and to ensure there is suffi-  
 15 cient data quality to ensure the validity of conclu-  
 16 sions to be drawn from the data collection.

17 “(b) STATE REPORT CARD ON THE QUALITY OF ED-  
 18 UCATOR PREPARATION.—

19 “(1) IN GENERAL.—Each State that receives  
 20 funds under this Act shall provide to the Secretary,  
 21 and make widely available to the general public and  
 22 to all local educational agencies located within the  
 23 State, including by sending information about the  
 24 State report card to every local educational agency  
 25 in the State, in a uniform and comprehensible man-

ner that conforms with the definitions and methods established by the Secretary, an annual State report card on the quality of educator preparation in the State, both for traditional educator preparation programs and for alternative routes to State certification or licensure programs, which shall include not less than the following:

“(A) All information reported under subsection (a)(1), for the State as a whole, and for each educator preparation program located within the State.

“(B) For the most recent year for which the information is available for each educator preparation program located within the State—

“(i) the number and percentage of recent program graduates hired into full-time positions as teachers or school leaders within 1 year of certification or licensure, in the aggregate and reported separately by—

“(I) teachers in high-need subject areas or fields;

“(II) high-need schools; and

“(III) certification or licensure type;

1           “(ii) for teacher preparation pro-  
2           grams, the number and percentage of re-  
3           cent program graduates hired into full-  
4           time positions as teachers who served for  
5           periods of not less than 3 academic years  
6           after their initial placement in a teacher  
7           position, in the aggregate and reported  
8           separately by—

9                   “(I) teachers in high-need subject  
10                  areas or fields;

11                  “(II) high-need schools;

12                  “(III) certification or licensure  
13                  type; and

14           “(iii) for school leader preparation  
15           programs, the number and percentage of  
16           recent program graduates hired into full-  
17           time positions as school leaders who served  
18           for periods of not less than 3 academic  
19           years after their initial placement in a  
20           school leader position, in the aggregated  
21           and reported separately by—

22                  “(I) principals;

23                  “(II) assistant principals; and

24                  “(III) high-need schools.

1           “(C) For recent program graduates at  
2 each educator preparation program in the  
3 State—

4           “(i) the percentage of recent program  
5 graduates whose elementary and secondary  
6 students demonstrate evidence of improved  
7 student growth on State teacher or leader  
8 evaluation systems, if States have such  
9 teacher or leader evaluation systems; and

10          “(ii) the percentage of recent program  
11 graduates who are rated highly based on  
12 results from State-administered satisfac-  
13 tion surveys, as available, and the percent-  
14 age of recent program graduates who self-  
15 identify as prepared to be effective teach-  
16 ers or school leaders based on results from  
17 State-administered satisfaction surveys, as  
18 available.

19          “(D) Any educator preparation program  
20 that has a first-time passage rate for all test  
21 takers from the program (regardless of whether  
22 or not they are considered program graduates)  
23 on assessments used for teacher or school lead-  
24 er certification or licensure below 80 percent.

1           “(E) The total number of teachers cer-  
2           tified or licensed in the preceding year in each  
3           high-need subject or field, as compared to the  
4           number of teachers needed in each high-need  
5           subject or field, and the total number of school  
6           leaders certified or licensed in the preceding  
7           year and serving in a high-need school com-  
8           pared to the number of school leaders needed in  
9           a high-need school, by elementary schools and  
10          secondary schools located within the State.

11          “(2) STATE REPORT CARD DISTRIBUTION AND  
12          PUBLICATION.—Each academic year, a State shall—

13               “(A) submit the report card required  
14               under paragraph (1) for the State and for each  
15               educator preparation program in the State to  
16               the Secretary;

17               “(B) publish the State’s and each educator  
18               preparation program’s report cards on the  
19               website of the State educational agency;

20               “(C) require that each educator prepara-  
21               tion program in the State publish the report  
22               card required under paragraph (1) on the pro-  
23               gram’s website and provide the report card to  
24               prospective teacher and school leader candidates

1 as well as teacher and school leader candidates  
2 accepted for admission; and

3 “(D) provide the report card required  
4 under paragraph (1) to each local educational  
5 agency in the State.

6 “(3) LOW-PERFORMING PROGRAMS.—Each  
7 State receiving funds under this Act shall provide—

8 “(A) the State’s criteria for assessing the  
9 performance of educator preparation programs  
10 in the State, including the measures described  
11 in section 212(a);

12 “(B) a list of all programs identified as  
13 low performing under section 212, and an iden-  
14 tification of those programs at risk of being  
15 placed on such list, including a specification of  
16 the factors that led to each program’s identi-  
17 fication;

18 “(C) for States that do not identify any  
19 programs as low performing under section 212  
20 or at risk of being classified as low performing,  
21 a description of the reliability and validity of  
22 the measures used to assess program perform-  
23 ance and evidence that each program met the  
24 State’s criteria for assessing performance of

1 teacher preparation programs and school leader  
2 preparation programs; and

3 “(D) for States that do not identify any  
4 programs as low performing under section 212  
5 or at risk of being classified as low performing,  
6 an explanation of why programs that have first-  
7 time passage rates under 80 percent on assess-  
8 ments used for teacher or school leader certifi-  
9 cation or licensure are not identified as low-per-  
10 forming by the State.

11 “(4) PROHIBITION AGAINST CREATING A NA-  
12 TIONAL LIST.—The Secretary shall not create a na-  
13 tional list or ranking of States, institutions, or  
14 schools using the scaled scores provided under this  
15 subsection.

16 “(c) DATA QUALITY.—The Secretary shall prescribe  
17 regulations to ensure the reliability, validity, integrity, and  
18 accuracy of the data submitted pursuant to this section.

19 “(d) REPORT OF THE SECRETARY ON THE QUALITY  
20 OF EDUCATOR PREPARATION.—

21 “(1) REPORT CARD.—The Secretary shall annu-  
22 ally provide to the authorizing committees, and pub-  
23 lish and make widely available, a report card on  
24 teacher and school leader qualifications and prepara-  
25 tion in the United States, including all the informa-

1       tion reported in subsection (b)(1). Such report shall  
2       identify States which received a grant under this  
3       part as part of an eligible partnership.

4           “(2) REPORT TO CONGRESS.—The Secretary  
5       shall prepare and submit a report to the authorizing  
6       committees and make such report publicly available  
7       that contains the following:

8           “(A) A comparison of States’ efforts to im-  
9       prove the quality of the current and future edu-  
10      cator force, including a list of those States that  
11      did not identify any programs as low per-  
12      forming under section 212, or at risk for being  
13      identified as low performing, and an assessment  
14      of the reliability and validity of the criteria used  
15      to by such States to evaluate program perform-  
16      ance.

17          “(B) A comparison of eligible partnerships’  
18      efforts to improve the quality of the current  
19      and future educator force.

20          “(C) The national mean and median scaled  
21      scores and pass rate on any standardized test  
22      that is used in more than one State for teacher  
23      or school leader certification or licensure.

24          “(3) SPECIAL RULE.—In the case of a teacher  
25      preparation program or school leader preparation

1 program with fewer than 10 graduates in a pro-  
2 gram, the Secretary shall collect and publish, and  
3 make publicly available, the information required  
4 under subsection (b)(1) taken over a 3-year period.

5 “(e) COORDINATION.—The Secretary, to the extent  
6 practicable, shall coordinate the information collected and  
7 published under this part among States for individuals  
8 who took State teacher certification or licensure assess-  
9 ments in a State other than the State in which the indi-  
10 vidual received the individual’s most recent degree.

11 **“SEC. 211. GOALS FOR MEETING THE NEEDS OF EDUCATOR**  
12 **SHORTAGE AREAS.**

13 “(a) ANNUAL GOALS.—Each institution of higher  
14 education that offers a traditional educator preparation  
15 program (including programs that offer any ongoing pro-  
16 fessional development programs) or alternative routes to  
17 State certification or licensure program, and that enrolls  
18 students receiving Federal assistance under this Act, and  
19 each non-institution of higher education-based educator  
20 preparation entity receiving Federal assistance shall set  
21 annual quantifiable goals for increasing the number of  
22 prospective educators trained in educator shortage areas  
23 designated by the Secretary or by the State educational  
24 agency, including mathematics, science, special education,  
25 and instruction of English learners.

1       “(b) ASSURANCES.—Each institution described in  
2 subsection (a) shall provide assurances to the Secretary  
3 that—

4           “(1) training provided to prospective educators  
5 responds to the identified needs of the local edu-  
6 cational agencies or States where the institution’s  
7 graduates are likely to teach or lead, based on past  
8 hiring and recruitment trends;

9           “(2) training provided to prospective educators  
10 is closely linked with the needs of schools and the in-  
11 structional decisions new teachers or school leaders  
12 face in the classroom and school;

13           “(3) prospective special education teachers re-  
14 ceive course work in core academic subjects and re-  
15 ceive training in providing instruction in core aca-  
16 demic subjects;

17           “(4) general education teachers receive training  
18 in providing instruction to diverse populations, in-  
19 cluding children with disabilities, English learners,  
20 and children from low-income families; and

21           “(5) prospective educators receive training on  
22 how to effectively meet the needs of urban and rural  
23 schools, as applicable.

24       “(c) RULE OF CONSTRUCTION.—Nothing in this sec-  
25 tion shall be construed to require an institution to create

1 a new educator preparation area of concentration or de-  
2 gree program or adopt a specific curriculum in complying  
3 with this section.

4 **“SEC. 212. STATE IDENTIFICATION OF LOW-PERFORMING**  
5 **PROGRAMS.**

6 “(a) STATE ASSESSMENT.—In order to receive funds  
7 under this Act, a State shall conduct an assessment to  
8 identify low-performing educator preparation programs in  
9 the State and to assist such programs through the provi-  
10 sion of technical assistance. Each such State shall provide  
11 the Secretary with an annual list of low-performing educa-  
12 tor preparation programs and an identification of those  
13 programs at risk of being placed on such list, as applica-  
14 ble. Such assessment shall be described in the report  
15 under section 210(b). Levels of performance shall be de-  
16 termined by the State and shall include, at minimum—

17 “(1) measures of candidates’ academic  
18 strength, such as median cumulative grade point  
19 averages or median standardized entrance examina-  
20 tion scores of admitted students;

21 “(2) first-time passage rates and scaled scores  
22 on assessments used for teacher or school leader cer-  
23 tification or licensure by the State;

24 “(3) the number of hours of clinical training re-  
25 quired for program candidates;

1           “(4) programs’ progress towards achieving  
2 goals set under section 211(a);

3           “(5) employment outcomes for recent program  
4 graduates, including job placement rates and reten-  
5 tion rates, particularly in high-need schools;

6           “(6) recent program graduates’ results from  
7 teacher or leader evaluations; and

8           “(7) results of satisfaction surveys, as applica-  
9 ble.

10          “(b) TERMINATION OF ELIGIBILITY.—Any educator  
11 preparation program from which the State has withdrawn  
12 the State’s approval, or terminated the State’s financial  
13 support, due to the low performance of the program based  
14 upon the State assessment described in subsection (a)—

15           “(1) shall be ineligible for any funding for pro-  
16 fessional development activities awarded by the De-  
17 partment;

18           “(2) may not be permitted to accept or enroll  
19 any student who receives aid under title IV in the  
20 institution’s educator preparation program;

21           “(3) shall provide transitional support, includ-  
22 ing remedial services if necessary, for students en-  
23 rolled at the institution at the time of termination  
24 of financial support or withdrawal of approval; and

1           “(4) shall be reinstated upon demonstration of  
2       improved performance, as determined by the State.

3       “(c) NEGOTIATED RULEMAKING.—If the Secretary  
4       develops any regulations implementing subsection (b)(2),  
5       the Secretary shall submit such proposed regulations to  
6       a negotiated rulemaking process, which shall include rep-  
7       resentatives of States, institutions of higher education,  
8       and educational and student organizations.

9       “(d) APPLICATION OF THE REQUIREMENTS.—The  
10      requirements of this section shall apply to both traditional  
11      educator preparation programs and alternative routes to  
12      State certification and licensure programs.

13   **“SEC. 213. GENERAL PROVISIONS.**

14      “(a) METHODS.—The Secretary shall ensure that  
15      States, institutions of higher education, and educator  
16      preparation entities, use fair and equitable methods in re-  
17      porting under this part and that the reporting methods  
18      do not reveal personally identifiable information.

19      “(b) SPECIAL RULE.—For each State that does not  
20      use content assessments as a means of ensuring that all  
21      teachers teaching in core academic subjects within the  
22      State are highly qualified, as required under section 1119  
23      of the Elementary and Secondary Education Act of 1965,  
24      in accordance with the State plan submitted or revised  
25      under section 1111 of such Act, and that each person em-

1 ployed as a special education teacher in the State who  
 2 teaches elementary school or secondary school is highly  
 3 qualified by the deadline, as required under section  
 4 612(a)(14)(C) of the Individuals with Disabilities Edu-  
 5 cation Act, the Secretary shall—

6 “(1) to the extent practicable, collect data com-  
 7 parable to the data required under this part from  
 8 States, local educational agencies, institutions of  
 9 higher education, or other entities that administer  
 10 such assessments to teachers or prospective teachers;  
 11 and

12 “(2) notwithstanding any other provision of this  
 13 part, use such data to carry out requirements of this  
 14 part related to assessments, pass rates, and scaled  
 15 scores.

16 “(c) RELEASE OF INFORMATION TO EDUCATOR  
 17 PREPARATION PROGRAMS.—

18 “(1) IN GENERAL.—For the purpose of improv-  
 19 ing teacher and school leader preparation programs,  
 20 a State that receives funds under this Act, or that  
 21 participates as a member of a partnership, consor-  
 22 tium, or other entity that receives such funds, shall  
 23 provide to an educator preparation program any and  
 24 all pertinent education-related information that—

1           “(A) may enable the educator preparation  
2           program to evaluate the effectiveness of the  
3           program’s graduates or the program itself; and

4           “(B) is possessed, controlled, or accessible  
5           by or through the State.

6           “(2) DATA REQUIRED TO BE SHARED.—In ad-  
7           dition to the information described in paragraph (1),  
8           the State shall share with each educator preparation  
9           program in the State, and to the extent practicable,  
10          with educator preparation programs in other States  
11          whose program graduates are teaching in the State,  
12          data from teacher or school leader evaluation re-  
13          sults, including any information necessary to com-  
14          plete subsections (a) and (b) of section 210.

15          “(3) PRIVACY.—The information and data re-  
16          quired under paragraphs (1) and (2) to be shared  
17          shall—

18               “(A) include aggregate elementary and sec-  
19               ondary academic achievement, without revealing  
20               personally identifiable information about an in-  
21               dividual student, for students who have been  
22               taught by graduates of the educator prepara-  
23               tion program, as available; and

24               “(B) comply with section 444 of the Gen-  
25               eral Education Provisions Act (20 U.S.C.

3       “(d) FUNDING.—A State may use funds made avail-  
4   able under section 2113(a)(3) of the Elementary and Sec-  
5   ondary Education Act of 1965 to carry out this section.

6       **“PART D—ENHANCING TEACHER EDUCATION**  
7       **“Subpart 1—Honorable Augustus F. Hawkins Centers**  
8                       **of Excellence**

9   **“SEC. 214. DEFINITIONS.**

10        “In this subpart:

11 “(1) ELIGIBLE INSTITUTION.—The term ‘eli-  
12 ble institution’ means—

13 “(A) an institution of higher education  
14 that offers a teacher preparation program that  
15 is—

16 “(i) a part B institution (as defined in  
17 section 322);

18 “(ii) a Hispanic-serving institution (as  
19 defined in section 502);

20 “(iii) a Tribal College or University  
21 (as defined in section 316);

22 “(iv) an Alaska Native-serving institu-  
23 tion (as defined in section 317(b));

24 “(v) a Native Hawaiian-serving insti-  
25 tution (as defined in section 317(b));

1 “(vi) a Predominantly Black Institu-  
 2 tion (as defined in section 318);

3 “(vii) an Asian American and Native  
 4 American Pacific Islander-serving institu-  
 5 tion (as defined in section 320(b)); or

6 “(viii) a Native American-serving,  
 7 nontribal institution (as defined in section  
 8 319);

9 “(B) a consortium of institutions described  
 10 in subparagraph (A); or

11 “(C) an institution described in subpara-  
 12 graph (A), or a consortium described in sub-  
 13 paragraph (B), in partnership with any other  
 14 institution of higher education, but only if the  
 15 center of excellence established under section  
 16 215 is located at an institution described in  
 17 subparagraph (A).

18 “(2) SCIENTIFICALLY BASED READING RE-  
 19 SEARCH.—The term ‘scientifically based reading re-  
 20 search’ has the meaning given such term in section  
 21 1208 of the Elementary and Secondary Education  
 22 Act of 1965.

1   **“SEC. 215. AUGUSTUS F. HAWKINS CENTERS OF EXCEL-**  
2                           **LENCE.**

3           “(a) PROGRAM AUTHORIZED.—From the amounts  
4 appropriated to carry out this part, the Secretary is au-  
5 thorized to award competitive grants to eligible institu-  
6 tions to establish centers of excellence.

7           “(b) USE OF FUNDS.—Grants provided by the Sec-  
8 retary under this subpart shall be used to ensure that cur-  
9 rent and future teachers are highly qualified by carrying  
10 out 1 or more of the following activities:

11               “(1) Implementing reforms within teacher prep-  
12 aration programs to ensure that such programs are  
13 preparing teachers who are highly qualified, are able  
14 to understand scientifically valid research, and are  
15 able to use advanced technology effectively in the  
16 classroom, including use of instructional techniques  
17 to improve student academic achievement, by—

18                       “(A) retraining or recruiting faculty; and

19                       “(B) designing (or redesigning) teacher  
20 preparation programs that—

21                               “(i) prepare teachers to serve in low-  
22 performing schools and close student  
23 achievement gaps, and that are based on  
24 rigorous academic content, scientifically  
25 valid research (including scientifically  
26 based reading research and mathematics

1 research, as it becomes available), and  
2 challenging State academic content stand-  
3 ards and student academic achievement  
4 standards; and

5 “(ii) promote strong teaching skills.

6 “(2) Providing sustained and high-quality  
7 preservice clinical training, including the mentoring  
8 of prospective teachers by exemplary teachers, sub-  
9 stantially increasing interaction between faculty at  
10 institutions of higher education and new and experi-  
11 enced teachers, school leaders, and other administra-  
12 tors at elementary schools or secondary schools, and  
13 providing support, including preparation time, for  
14 such interaction.

15 “(3) Developing and implementing initiatives to  
16 promote retention of highly qualified teachers and  
17 school leaders, including minority teachers and  
18 school leaders, including programs that provide—

19 “(A) teacher or school leader mentoring  
20 from exemplary teachers or school leaders, re-  
21 spectively; or

22 “(B) induction and support for teachers  
23 and school leaders during their first 3 years of  
24 employment as teachers or school leaders, re-  
25 spectively.

1           “(4) Awarding scholarships based on financial  
2           need to help students pay the costs of tuition, room,  
3           board, and other expenses of completing a teacher  
4           preparation program, not to exceed the cost of at-  
5           tendance.

6           “(5) Disseminating information on effective  
7           practices for teacher preparation and successful  
8           teacher certification and licensure assessment prepa-  
9           ration strategies.

10           “(6) Activities authorized under section 202.

11           “(c) APPLICATION.—Any eligible institution desiring  
12           a grant under this subpart shall submit an application to  
13           the Secretary at such a time, in such a manner, and ac-  
14           companied by such information as the Secretary may re-  
15           quire.

16           “(d) MINIMUM GRANT AMOUNT.—The minimum  
17           amount of each grant under this subpart shall be  
18           \$500,000.

19           “(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—  
20           An eligible institution that receives a grant under this sub-  
21           part may use not more than 2 percent of the funds pro-  
22           vided to administer the grant.

23           “(f) REGULATIONS.—The Secretary shall prescribe  
24           such regulations as may be necessary to carry out this  
25           subpart.

1 **“Subpart 2—Preparing General Education Teachers**  
2 **To More Effectively Educate Students With Dis-**  
3 **abilities**

4 **“SEC. 216. TEACH TO REACH GRANTS.**

5 “(a) AUTHORIZATION OF PROGRAM.—

6 “(1) IN GENERAL.—The Secretary is authorized  
7 to award grants, on a competitive basis, to eligible  
8 partnerships to improve the preparation of general  
9 education teacher candidates to ensure that such  
10 teacher candidates possess the knowledge and skills  
11 necessary to effectively instruct students with dis-  
12 abilities in general education classrooms.

13 “(2) DURATION OF GRANTS.—A grant under  
14 this section shall be awarded for a period of not  
15 more than 5 years.

16 “(3) NON-FEDERAL SHARE.—An eligible part-  
17 nership that receives a grant under this section shall  
18 provide not less than 25 percent of the cost of the  
19 activities carried out with such grant from non-Fed-  
20 eral sources, which may be provided in cash or in  
21 kind.

22 “(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In  
23 this section, the term ‘eligible partnership’ means a part-  
24 nership that—

25 “(1) shall include—

1                   “(A) 1 or more departments or programs  
2                   at an institution of higher education—

3                   “(i) that prepare elementary or sec-  
4                   ondary general education teachers;

5                   “(ii) that have a program of study  
6                   that leads to an undergraduate degree, a  
7                   master’s degree, or completion of a  
8                   postbaccalaureate program required for  
9                   teacher certification; and

10                  “(iii) the graduates of which are high-  
11                  ly qualified;

12                  “(B) a department or program of special  
13                  education at an institution of higher education;

14                  “(C) a department or program at an insti-  
15                  tution of higher education that provides degrees  
16                  in core academic subjects; and

17                  “(D) a high-need local educational agency;  
18                  and

19                  “(2) may include a department or program of  
20                  mathematics, earth or physical science, foreign lan-  
21                  guage, or another department at the institution that  
22                  has a role in preparing teachers.

23                  “(c) ACTIVITIES.—An eligible partnership that re-  
24                  ceives a grant under this section—

25                  “(1) shall use the grant funds to—

1           “(A) develop or strengthen an under-  
2 graduate, postbaccalaureate, or master’s teach-  
3 er preparation program by integrating special  
4 education strategies into the general education  
5 curriculum and academic content;

6           “(B) provide teacher candidates partici-  
7 pating in the program under subparagraph (A)  
8 with skills related to—

9               “(i) response to intervention, positive  
10 behavioral interventions and supports, dif-  
11 ferentiated instruction, and data driven in-  
12 struction;

13               “(ii) universal design for learning;

14               “(iii) determining and utilizing accom-  
15 modations for instruction and assessments;

16               “(iv) collaborating with special edu-  
17 cators, related services providers, and par-  
18 ents, including participation in individual-  
19 ized education program development and  
20 implementation; and

21               “(v) appropriately utilizing technology  
22 and assistive technology for students with  
23 disabilities; and

24           “(C) provide extensive clinical training for  
25 participants described in subparagraph (B) with

1           mentoring and induction program support  
2           throughout the program that continues during  
3           the first 2 years of full-time teaching; and

4           “(2) may use grant funds to develop and ad-  
5           minister alternate assessments of students with dis-  
6           abilities.

7           “(d) APPLICATION.—An eligible partnership seeking  
8 a grant under this section shall submit an application to  
9 the Secretary at such time, in such manner, and con-  
10 taining such information as the Secretary may require.  
11 Such application shall include—

12           “(1) a self-assessment by the eligible partner-  
13           ship of the existing teacher preparation program at  
14           the institution of higher education and needs related  
15           to preparing general education teacher candidates to  
16           instruct students with disabilities; and

17           “(2) an assessment of the existing personnel  
18           needs for general education teachers who instruct  
19           students with disabilities, performed by the local  
20           educational agency in which most graduates of the  
21           teacher preparation program are likely to teach after  
22           completion of the program under subsection (c)(1).

23           “(e) PEER REVIEW.—The Secretary shall convene a  
24 peer review committee to review applications for grants  
25 under this section and to make recommendations to the

1 Secretary regarding the selection of grantees. Members of  
 2 the peer review committee shall be recognized experts in  
 3 the fields of special education, teacher preparation, and  
 4 general education and shall not be in a position to benefit  
 5 financially from any grants awarded under this section.

6 “(f) EVALUATIONS.—

7 “(1) BY THE PARTNERSHIP.—

8 “(A) IN GENERAL.—An eligible partner-  
 9 ship receiving a grant under this section shall  
 10 conduct an evaluation at the end of the grant  
 11 period to determine—

12 “(i) the effectiveness of the general  
 13 education teachers who completed a pro-  
 14 gram under subsection (c)(1) with respect  
 15 to instruction of students with disabilities  
 16 in general education classrooms; and

17 “(ii) the systemic impact of the activi-  
 18 ties carried out by such grant on how each  
 19 institution of higher education that is a  
 20 member of the partnership prepares teach-  
 21 ers for instruction in elementary schools  
 22 and secondary schools.

23 “(B) REPORT TO THE SECRETARY.—Each  
 24 eligible partnership performing an evaluation

1 under subparagraph (A) shall report the find-  
2 ings of such evaluation to the Secretary.

3 “(2) REPORT BY THE SECRETARY.—Not later  
4 than 180 days after the last day of the grant period  
5 under this section, the Secretary shall make avail-  
6 able to Congress and the public the findings of the  
7 evaluations submitted under paragraph (1), and in-  
8 formation on best practices related to effective in-  
9 struction of students with disabilities in general edu-  
10 cation classrooms.

11 **“PART E—GENERAL PROVISIONS**

12 **“SEC. 217. LIMITATIONS.**

13 “(a) FEDERAL CONTROL PROHIBITED.—Nothing in  
14 this title shall be construed to permit, allow, encourage,  
15 or authorize any Federal control over any aspect of any  
16 private, religious, or home school, whether or not a home  
17 school is treated as a private school or home school under  
18 State law. This section shall not be construed to prohibit  
19 private, religious, or home schools from participation in  
20 programs or services under this title.

21 “(b) NO CHANGE IN STATE CONTROL ENCOURAGED  
22 OR REQUIRED.—Nothing in this title shall be construed  
23 to encourage or require any change in a State’s treatment  
24 of any private, religious, or home school, whether or not

1 a home school is treated as a private school or home school  
2 under State law.

3 “(c) NATIONAL SYSTEM OF TEACHER CERTIFI-  
4 CATION OR LICENSURE PROHIBITED.—Nothing in this  
5 title shall be construed to permit, allow, encourage, or au-  
6 thorize the Secretary to establish or support any national  
7 system of teacher certification or licensure.

8 “(d) RULE OF CONSTRUCTION.—Nothing in this title  
9 shall be construed to alter or otherwise affect the rights,  
10 remedies, and procedures afforded to the employees of  
11 local educational agencies under Federal, State, or local  
12 laws (including applicable regulations or court orders) or  
13 under the terms of collective bargaining agreements,  
14 memoranda of understanding, or other agreements be-  
15 tween such employees and their employers.

16 “(e) TEACHER OR SCHOOL LEADER PRIVACY.—No  
17 State, institution of higher education, or local educational  
18 agency shall be required to publicly report information in  
19 compliance with this title in a case in which the results  
20 would reveal personally identifiable information about an  
21 individual teacher or school leader.”.

## 22 **TITLE III—INSTITUTIONAL AID**

### 23 **SEC. 301. RULE OF CONSTRUCTION.**

24 Section 301 (20 U.S.C. 1051) is amended—

1           (1) in the section heading by adding “; **RULE**  
 2       **OF CONSTRUCTION**” after “**FINDINGS AND PUR-**  
 3       **POSES**”; and

4           (2) by adding at the end the following:

5       “(c) **RULE OF CONSTRUCTION.**—Nothing in this Act  
 6 shall be construed to restrict an institution from using  
 7 funds provided under a section of this title for activities  
 8 and uses that were authorized under such section on the  
 9 day before the date of enactment of the Higher Education  
 10 Affordability Act.”.

11 **SEC. 302. PROGRAM PURPOSE.**

12       Section 311 (20 U.S.C. 1057) is amended—

13           (1) by striking subsection (c) and inserting the  
 14       following:

15       “(c) **AUTHORIZED ACTIVITIES.**—Grants awarded  
 16 under this section shall be used for 1 or more of the fol-  
 17 lowing activities:

18           “(1) The purchase, rental, or lease of edu-  
 19       cational resources.

20           “(2) The construction, maintenance, renovation,  
 21       or joint use and improvement of classrooms, librar-  
 22       ies, laboratories, or other instructional facilities, in-  
 23       cluding the integration of computer technology into  
 24       institutional facilities to create smart buildings.

1           “(3) Support of faculty exchanges, faculty de-  
2           velopment, and faculty fellowships to assist members  
3           of the faculty in attaining advanced degrees in their  
4           field of instruction.

5           “(4) Student support services, including sup-  
6           porting distance education, the development and im-  
7           provement of academic programs, tutoring, coun-  
8           seling, school-sanctioned travel, and financial lit-  
9           eracy for students and families.

10          “(5) Improving funds management, administra-  
11          tive management, and the acquisition of equipment  
12          for use in strengthening funds management.

13          “(6) Maintaining financial stability through es-  
14          tablishing or developing a contributions development  
15          office or endowment fund.

16          “(7) Other activities proposed in the application  
17          submitted pursuant to section 391 that—

18                 “(A) contribute to carrying out the pur-  
19                 poses of the program assisted under this sec-  
20                 tion; and

21                 “(B) are approved by the Secretary as part  
22                 of the review and acceptance of such applica-  
23                 tion.”; and

24                 (2) in subsection (d)—

1 (A) in paragraph (2), by inserting “75 per-  
 2 cent of” after “equal to or greater than”; and

3 (B) by adding at the end the following:

4 “(4) SCHOLARSHIP.—An eligible institution  
 5 that uses grant funds provided under this part to es-  
 6 tablish or increase an endowment fund may use the  
 7 interest proceeds from such endowment to provide  
 8 scholarships to students for the purposes of attend-  
 9 ing such institution.”.

10 **SEC. 303. DURATION OF GRANT.**

11 Section 313 (20 U.S.C. 1059) is amended by adding  
 12 at the end the following:

13 “(e) REQUIREMENT FOR ADDITIONAL FUNDING.—

14 “(1) IN GENERAL.—The Secretary shall not  
 15 award grant funds for the fourth or fifth year of a  
 16 grant under this part unless the Secretary deter-  
 17 mines that the grantee is making progress in imple-  
 18 menting the activities described in the grantee’s ap-  
 19 plication under section 391 at a rate that will result  
 20 in the full implementation of such activities before  
 21 the end of the grant period.

22 “(2) CONSIDERATION OF DATA AND INFORMA-  
 23 TION.—The Secretary shall consider any data or in-  
 24 formation provided to the Department by grantees  
 25 for the continued receipt of grants under this title

1 under paragraph (1) that is considered in accord-  
 2 ance with regulations issued by the Secretary before  
 3 the date of enactment of the Higher Education Af-  
 4 fordability Act. Any requirements the Secretary de-  
 5 velops for institutions in accordance with regulations  
 6 issued by the Secretary after the date of enactment  
 7 of the Higher Education Affordability Act to carry  
 8 out this subsection shall take into account the capac-  
 9 ity and resources of institutions to comply with such  
 10 requirements.”.

11 **SEC. 304. AMERICAN INDIAN TRIBALLY CONTROLLED COL-**  
 12 **LEGES AND UNIVERSITIES.**

13 Section 316 (20 U.S.C. 1059c) is amended—

14 (1) in subsection (c)—

15 (A) by striking subparagraphs (A) through  
 16 (N) and inserting the following:

17 “(A) The activities described in section  
 18 311(c).

19 “(B) Academic instruction in disciplines in  
 20 which Indians are underrepresented and in-  
 21 struction in tribal governance or tribal public  
 22 policy.

23 “(C) Establishing or enhancing a program  
 24 of teacher education designed to qualify stu-  
 25 dents to teach in elementary schools or sec-

ondary schools, with a particular emphasis on teaching Indian children and youth, that shall include, as part of such program, preparation for teacher certification.

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

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as paragraph (2); and

(i) in paragraph (2), as redesignated by subparagraph (C)—

(ii) by inserting “not less than 75 percent of” after “in an amount equal to”; and

(iii) by adding at the end the following:

“(D) SCHOLARSHIP.—A Tribal College or University that uses grant funds under this section to establish or increase an endowment fund may use the interest proceeds from such endowment to provide scholarships to students for the

purposes of attending such Tribal College or University.”; and

(2) in subsection (d)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2), (3), and (4), as paragraphs (1), (2), and (3), respectively.

**SEC. 305. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING INSTITUTIONS.**

Section 317(c) (20 U.S.C. 1059d(c)) is amended—

(1) in paragraph (1)—

(A) by striking “AUTHORIZED ACTIVITIES.—” in the subsection heading and all that follows through “Grants awarded under this section shall” and inserting “AUTHORIZED ACTIVITIES.—Grants awarded under this section shall”; and

(B) by inserting “Such activities may include the activities described in section 311(c).” after “capacity to serve Alaska Natives or Native Hawaiians.”; and

(2) by striking paragraph (2).

**SEC. 306. PREDOMINANTLY BLACK INSTITUTIONS.**

Section 318(d) (20 U.S.C. 1059e(d)) is amended—

1 (1) in paragraph (2)(A), by striking “para-  
 2 graphs (1) through (12)” and inserting “paragraphs  
 3 (1) through (7)”; and

4 (2) in paragraph (3)(B), by inserting “75 per-  
 5 cent of” after “equal to or greater than”.

6 **SEC. 307. NATIVE AMERICAN-SERVING NONTRIBAL INSTI-  
 7 TUTIONS.**

8 Section 319(c) (20 U.S.C. 1059f(c)) is amended—  
 9 (1) in paragraph (1)—

10 (A) by striking “AUTHORIZED ACTIVI-  
 11 TIES.—” in the subsection heading and all that  
 12 follows through “Grants awarded under this  
 13 section shall” and inserting “AUTHORIZED AC-  
 14 TIVITIES.—Grants awarded under this section  
 15 shall”; and

16 (B) by inserting “Such activities may in-  
 17 clude the activities described in section 311(c).”  
 18 after “serve Native Americans and low-income  
 19 individuals.”; and

20 (2) by striking paragraph (2).

21 **SEC. 308. ASIAN AMERICAN AND NATIVE AMERICAN PA-  
 22 CIFIC ISLANDER-SERVING INSTITUTIONS.**

23 Section 320(c)(2) (20 U.S.C. 1059g(c)(2)) is amend-  
 24 ed by striking subparagraphs (A) through (N) and insert-  
 25 ing the following:

1           “(A) the activities described in section  
2           311(c);

3           “(B) academic instruction in disciplines in  
4           which Asian Americans and Native American  
5           Pacific Islanders are underrepresented;

6           “(C) conducting research and data collec-  
7           tion for Asian American and Native American  
8           Pacific Islander populations and subpopula-  
9           tions; and

10          “(D) establishing partnerships with com-  
11          munity-based organizations serving Asian  
12          Americans and Native American Pacific Island-  
13          ers.”.

14 **SEC. 309. NATIVE AMERICAN EDUCATION TUITION COST**  
15 **SHARE.**

16          Part A of title III of the Higher Education Act of  
17          1965 (20 U.S.C. 1057 et seq.) is amended by inserting  
18          after section 319 the following:

19 **“SEC. 319A. NATIVE AMERICAN EDUCATION TUITION COST**  
20 **SHARE.**

21          “(a) AMOUNT OF PAYMENT.—

22               “(1) IN GENERAL.—Subject to paragraphs (2)  
23          and (3), for fiscal year 2015 and each succeeding  
24          fiscal year, the Secretary shall pay to any eligible  
25          college an amount equal to 40 percent of the total

1 amount of charges for tuition for such year, and the  
2 State shall pay 60 percent of such charges for such  
3 year, for all Native American Indian students who—

4 “(A) are not residents of the State in  
5 which the college they attend is located; and

6 “(B) are enrolled in the college for the aca-  
7 demic year ending immediately prior to the be-  
8 ginning of such fiscal year.

9 “(2) ELIGIBLE COLLEGES.—For purposes of  
10 this section, an eligible college is any institution of  
11 higher education serving Native American Indian  
12 students that provides tuition-free education to such  
13 students, as mandated by Federal law, with the sup-  
14 port of the State in which the college is located, in  
15 fulfillment of a condition under which the State or  
16 college received its original grant of land and facili-  
17 ties from the United States.

18 “(b) TREATMENT OF PAYMENT.—Any amounts re-  
19 ceived by an eligible college under this section shall be  
20 treated as a reimbursement from the State in which the  
21 college is located, and shall be considered as provided in  
22 fulfillment of any Federal mandate upon the State to  
23 admit Native American Indian students free of charge of  
24 tuition.

1       “(c) RULE OF CONSTRUCTION.—Nothing in this sec-  
2 tion shall be construed to relieve any State from any man-  
3 date the State may have under Federal law to reimburse  
4 a college for each academic year—

5               “(1) with respect to Native American Indian  
6 students enrolled in the college who are not residents  
7 of the State in which the college is located, any  
8 amount of charges for tuition for such students for  
9 such academic year that exceeds the amount re-  
10 ceived under this section for such academic year;  
11 and

12              “(2) with respect to Native American Indian  
13 students enrolled in the college who are residents of  
14 the State in which the college is located, an amount  
15 equal to the charges for tuition for such students for  
16 such academic year.

17       “(d) DEFINITION.—In this section, the term ‘Native  
18 American Indian student’ means an Indian pupil (as such  
19 term has been defined for purposes of Federal laws that  
20 impose a mandate upon a State or college to provide tui-  
21 tion-free education to Native American Indian students in  
22 fulfillment of a condition under which the State or college  
23 received its original grant of land and facilities from the  
24 United States).”.

1 **SEC. 310. GRANTS TO INSTITUTIONS.**

2 Section 323 (20 U.S.C. 1062) is amended—

3 (1) in subsection (a), by striking paragraphs  
4 (1) through (15) and inserting the following:

5 “(1) The purchase, rental, or lease of edu-  
6 cational resources.

7 “(2) The construction, maintenance, renovation,  
8 or joint use and improvement of classrooms, librar-  
9 ies, laboratories, or other instructional facilities, in-  
10 cluding the integration of computer technology into  
11 institutional facilities to create smart buildings.

12 “(3) Support of faculty exchanges, faculty de-  
13 velopment, and faculty fellowships to assist members  
14 of the faculty in attaining advanced degrees in their  
15 field of instruction.

16 “(4) Student academic and support services, in-  
17 cluding supporting distance education (including  
18 through the purchase or rental of telecommuni-  
19 cations technology equipment or services), the devel-  
20 opment and improvement of academic programs and  
21 curricula, tutoring, counseling, school-sanctioned  
22 travel, and financial literacy for students and fami-  
23 lies.

24 “(5) Improving funds management, administra-  
25 tive management, and the acquisition of technology,

1 services and equipment for use in strengthening  
2 funds and administrative management.

3 “(6) Maintaining financial stability through es-  
4 tablishing or developing a contributions development  
5 office or endowment fund.

6 “(7) Initiatives to improve the educational out-  
7 comes of African-American males.

8 “(8) Other activities proposed in the application  
9 submitted pursuant to section 325 that—

10 “(A) contribute to carrying out the pur-  
11 poses of the program assisted under this sec-  
12 tion; and

13 “(B) are approved by the Secretary as part  
14 of the review and acceptance of such applica-  
15 tion.”; and

16 (2) in subsection (b)—

17 (A) in paragraph (2), by inserting “75 per-  
18 cent of” after “equal to or greater than”; and

19 (B) by adding at the end the following:

20 “(4) SCHOLARSHIP.—An institution that uses  
21 grant funds provided under this part to establish or  
22 increase an endowment fund may use the interest  
23 proceeds from such endowment to provide scholar-  
24 ships to students for the purposes of attending such  
25 institution.”.

1 **SEC. 311. ALLOTMENTS TO INSTITUTIONS.**

2 Section 324(c) (20 U.S.C. 1063(c)) is amended by  
3 striking “5 years” and inserting “6 years”.

4 **SEC. 312. PROFESSIONAL OR GRADUATE INSTITUTIONS.**

5 Section 326 (20 U.S.C. 1063b) is amended by strik-  
6 ing subsection (c) and inserting the following:

7 “(c) USES OF FUNDS.—

8 “(1) IN GENERAL.—A grant under this section  
9 may be used for 1 or more of the following activities:

10 “(A) The purchase, rental, or lease of edu-  
11 cational resources.

12 “(B) The construction, maintenance, ren-  
13 ovation, or joint use and improvement of class-  
14 rooms, libraries, laboratories, or other instruc-  
15 tional facilities, including the integration of  
16 computer technology into institutional facilities  
17 to create smart buildings.

18 “(C) Support of faculty exchanges, faculty  
19 development, and faculty fellowships to assist  
20 members of the faculty in attaining advanced  
21 degrees in their field of instruction.

22 “(D) Student academic support services,  
23 including supporting distance education (includ-  
24 ing through the purchase or rental of tele-  
25 communications technology equipment or serv-  
26 ices), the development and improvement of aca-

1           demic programs, tutoring, counseling, school-  
2           sanctioned travel, distance education, and fi-  
3           nancial literacy for students and families.

4           “(E) Improving funds management, ad-  
5           ministrative management, and the acquisition  
6           of technology, services, and equipment for use  
7           in strengthening funds and administrative man-  
8           agement.

9           “(F) Maintaining financial stability  
10          through establishing or developing a contribu-  
11          tions development office or endowment fund.

12          “(G) Other activities proposed in the appli-  
13          cations submitted pursuant to subsection (d)  
14          and section 391 that—

15               “(i) contribute to carrying out the  
16               purposes of the program assisted under  
17               this section; and

18               “(ii) are approved by the Secretary as  
19               part of the review and acceptance of such  
20               application.”.

21   **SEC. 313. APPLICATIONS FOR ASSISTANCE.**

22          Section 391(b) (20 U.S.C. 1068(b)) is amended—

23               (1) by redesignating paragraphs (6) through  
24               (8) as paragraphs (7) through (9); and

1           (2) by inserting after paragraph (5), the fol-  
2       lowing:

3           “(6) provide an assurance that the institution  
4       will report to the Secretary on—

5                   “(A) the number and percentage of under-  
6       graduate students who upon entry into the in-  
7       stitution matriculate into a major field of study  
8       or other program leading to a postsecondary  
9       certificate, an associate’s degree, or a bacca-  
10      laureate degree;

11                   “(B) student persistence data for the insti-  
12      tution’s undergraduates, demonstrating the  
13      number and percentage of students who are  
14      continuously enrolled in the institution, which  
15      shall be measured in a manner proposed by the  
16      institution and approved by the Secretary; and

17                   “(C) data on the number and percentage  
18      of undergraduate students making satisfactory  
19      progress, as defined in accordance with section  
20      484(c).”.

21 **SEC. 314. LIMITATIONS ON FEDERAL INSURANCE FOR**  
22 **BONDS ISSUED BY THE DESIGNATED BOND-**  
23 **ING AUTHORITY.**

24       Section 344(a) (20 U.S.C. 1066c(a)) is amended—

1           (1) in the matter preceding paragraph (1), by  
 2       striking     “\$1,100,000,000”     and     inserting  
 3       “\$3,000,000,000”;

4           (2)     in     paragraph     (1),     by     striking  
 5       “\$733,333,333” and inserting “\$2,088,000,000”;  
 6       and

7           (3)     in     paragraph     (2),     by     striking  
 8       “\$366,666,667” and inserting “\$912,000,000”.

9   **SEC. 315. AUTHORIZATION OF APPROPRIATIONS.**

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

11           (1) in paragraph (1)—

12               (A) in subparagraph (A), by striking  
 13               “\$135,000,000 for fiscal year 2009” and in-  
 14               serting “such sums as may be necessary for fis-  
 15               cal year 2015”;

16               (B) in subparagraph (B), by striking  
 17               “\$30,000,000 for fiscal year 2009” and insert-  
 18               ing “such sums as may be necessary for fiscal  
 19               year 2015”;

20               (C) in subparagraph (C), by striking  
 21               “\$15,000,000 for fiscal year 2009” and insert-  
 22               ing “such sums as may be necessary for fiscal  
 23               year 2015”;

24               (D) in subparagraph (D), by striking  
 25               “\$75,000,000 for fiscal year 2009” and insert-

1 ing “such sums as may be necessary for fiscal  
2 year 2015”;

3 (E) in subparagraph (E), by striking  
4 “\$25,000,000 for fiscal year 2009” and insert-  
5 ing “such sums as may be necessary for fiscal  
6 year 2015”; and

7 (F) in subparagraph (F), by striking  
8 “\$30,000,000 for fiscal year 2009” and insert-  
9 ing “such sums as may be necessary for fiscal  
10 year 2015”;

11 (2) in paragraph (2)—

12 (A) in subparagraph (A), by striking  
13 “\$375,000,000 for fiscal year 2009” and in-  
14 serting “such sums as may be necessary for fis-  
15 cal year 2015”; and

16 (B) in subparagraph (B), by striking  
17 “\$125,000,000 for fiscal year 2009” and in-  
18 serting “such sums as may be necessary for fis-  
19 cal year 2015”;

20 (3) in paragraph (3), by striking “\$10,000,000  
21 for fiscal year 2009” and inserting “such sums as  
22 may be necessary for fiscal year 2015”;

23 (4) in paragraph (4)—

24 (A) in subparagraph (A), by striking  
25 “\$185,000 for fiscal year 2009” and inserting

1 “such sums as may be necessary for fiscal year  
2 2015”; and

3 (B) in subparagraph (B), by striking “fis-  
4 cal year 2009” and inserting “fiscal year  
5 2015”; and

6 (5) in paragraph (5)—

7 (A) in subparagraph (A), by striking  
8 “\$12,000 for fiscal year 2009” and inserting  
9 “such sums as may be necessary for fiscal year  
10 2015”; and

11 (B) in subparagraph (B), by striking “fis-  
12 cal year 2009” and inserting “fiscal year  
13 2015”.

## 14 **TITLE IV—STUDENT ASSISTANCE**

### 15 **PART A—GRANTS TO STUDENTS**

#### 16 **Subpart 1—Federal Pell Grants**

#### 17 **SEC. 401. YEAR-ROUND FEDERAL PELL GRANTS; EXTEN-**

#### 18 **SION OF FEDERAL PELL GRANT INFLATION**

#### 19 **ADJUSTMENTS.**

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

21 (1) in subsection (a)(1), by striking “through  
22 fiscal year 2017” and inserting “through fiscal year  
23 2020”;

24 (2) in subsection (b)—

1 (A) in paragraph (2)(A)(ii), by striking  
2 “paragraph (7)(B)” and inserting “paragraph  
3 (9)(B)”;

4 (B) by redesignating paragraphs (5)  
5 through (7) as paragraphs (7) through (9), re-  
6 spectively;

7 (C) by inserting after paragraph (4) the  
8 following:

9 “(5)(A) The purpose of this paragraph is to establish  
10 a year-round Federal Pell Grant program to allow eligible  
11 students to accelerate the time needed to earn a degree.

12 “(B) In this paragraph, the term ‘eligible student’  
13 means a student who—

14 “(i) has received a Federal Pell Grant for an  
15 award year and is enrolled in a program of study for  
16 1 or more additional payment periods during the  
17 same award year that are not otherwise covered by  
18 the student’s Federal Pell Grant;

19 “(ii) continues to meets all eligibility require-  
20 ments to receive a Federal Pell Grant under this  
21 section; and

22 “(iii) attends an institution of higher education  
23 on not less than a half-time basis.

24 “(C) Notwithstanding any other provision of this sub-  
25 section, the Secretary shall award an additional Federal

1 Pell Grant to an eligible student for the additional pay-  
 2 ment periods during an award year that are not otherwise  
 3 covered by the student's Federal Pell Grant for the award  
 4 year.

5       “(D) In the case of a student receiving more than  
 6 one Federal Pell Grant in a single award year under sub-  
 7 paragraph (C), the total amount of the Federal Pell  
 8 Grants awarded to such student for the award year shall  
 9 not exceed an amount equal to 150 percent of the total  
 10 maximum Federal Pell Grant for such award year cal-  
 11 culated in accordance with paragraph (9)(C)(iv)(II).

12       “(E) Any period of study covered by a Federal Pell  
 13 Grant awarded under subparagraph (C) shall be included  
 14 in determining a student's duration limit under subsection  
 15 (c)(5).

16       “(6) In any case where an eligible student is receiving  
 17 a Federal Pell Grant for a payment period that spans 2  
 18 award years, the Secretary shall allow the eligible institu-  
 19 tion in which the student is enrolled to determine the  
 20 award year to which the additional period shall be as-  
 21 signed.”; and

22                       (D) in paragraph (9)(C), as redesignated  
 23                       by subparagraph (B)—

24                               (i) in clause (ii)—

1 (I) in the clause heading, by  
 2 striking “2017–2018” and inserting  
 3 “2020–2021”; and

4 (II) in the matter preceding sub-  
 5 clause (I), by striking “2017–2018”  
 6 and inserting “2020–2021”; and

7 (ii) in clause (iii)—

8 (I) by striking “2018–2019” and  
 9 inserting “2021–2022”; and

10 (II) by striking “2017–2018”  
 11 and inserting “2020–2021”; and

12 (3) by adding at the end the following:

13 “(k) NOTIFICATION OF PELL GRANT ELIGIBILITY.—

14 “(1) IN GENERAL.—Each eligible institution  
 15 shall notify each student enrolled in the institution  
 16 who is receiving a Federal Pell Grant of the stu-  
 17 dent’s remaining period of eligibility for a Federal  
 18 Pell Grant in accordance with subsection (c)(5), at  
 19 the times required under paragraph (2) and (3).

20 “(2) FREQUENCY OF NOTIFICATIONS.—An eli-  
 21 gible institution shall provide the notification de-  
 22 scribed in paragraph (1) to a student receiving a  
 23 Federal Pell Grant—

24 “(A) not less than once a year while the  
 25 student is enrolled in the institution; and

1           “(B) in the case of a student with 2 years,  
 2           or less, of Federal Pell Grant eligibility remain-  
 3           ing, not less than once a semester (or its equiv-  
 4           alent) while the student is enrolled in the insti-  
 5           tution.

6           “(3) PELL GRANT RECIPIENTS WHO ARE BOR-  
 7           ROWERS.—In the case of a student who is receiving  
 8           a Federal Pell Grant who is also a borrower of a  
 9           loan made, insured, or guaranteed under part B  
 10          (other than a loan made pursuant to section 428C  
 11          or a loan made on behalf of a student pursuant to  
 12          section 428B) or made under part D (other than a  
 13          Federal Direct Consolidation Loan or a Federal Di-  
 14          rect PLUS loan made on behalf of a student), the  
 15          requirement described in paragraph (1) shall be car-  
 16          ried out in accordance with the notification and  
 17          counseling requirements described in section  
 18          485(n).”.

19 **SEC. 401A. COLLEGE OPPORTUNITY AND GRADUATION**  
 20 **BONUS DEMONSTRATION PROGRAM.**

21          Subpart 1 of part A of title IV (20 U.S.C. 1070a  
 22 et seq.) is amended by adding at the end the following:

1 **“SEC. 401B. COLLEGE OPPORTUNITY AND GRADUATION**  
2 **BONUS DEMONSTRATION PROGRAM.**

3 “(a) DEMONSTRATION PROGRAM AUTHORITY.—The  
4 Secretary is authorized to establish a demonstration pro-  
5 gram—

6 “(1) to reward eligible institutions of higher  
7 education that enroll and graduate a significant  
8 number of low- and moderate-income students on  
9 time; and

10 “(2) to encourage institutions of higher edu-  
11 cation to improve their performance in enrolling and  
12 graduating a significant number of low- and mod-  
13 erate-income students on time.

14 “(b) GRANTS.—The Secretary shall carry out the  
15 demonstration program described in paragraph (1) by  
16 awarding grants to eligible institutions of higher education  
17 in not more than 5 eligible States selected in accordance  
18 with subsection (c) that the Secretary determines have a  
19 strong record of supporting, reforming, and improving the  
20 performance of the State’s public higher education sys-  
21 tems in order to make college more affordable and in-  
22 crease college access and success, especially for low-income  
23 students.

24 “(c) ELIGIBLE STATES.—The Secretary shall select  
25 eligible States based on the extent to which a State has—

1           “(1) invested, and continues to invest, signifi-  
2           cantly in public higher education, resulting in a  
3           lower net price for low-income students, as compared  
4           to the net price for such students in other States;

5           “(2) adopted policy reforms to ensure seamless  
6           transitions into higher education and among public  
7           institutions of higher education, such as dual enroll-  
8           ment and guaranteed credit transfers;

9           “(3) allocated State financial aid primarily on  
10          the basis of need, and

11          “(4) met other criteria, as determined by the  
12          Secretary.

13          “(d) INSTITUTIONAL ELIGIBILITY.—The Secretary  
14          shall establish criteria for the eligibility of institutions that  
15          are located in eligible States on the basis of—

16               “(1) the percentage of the institution’s grad-  
17               uating class that is comprised of Pell Grant recipi-  
18               ents;

19               “(2) the institution’s graduation rate;

20               “(3) the institution’s average net price; and

21               “(4) other criteria, as determined by the Sec-  
22          retary.

23          “(e) USES OF FUNDS.—Each eligible institution of  
24          higher education that receives a grant under this section  
25          shall use the grant funds to support reforms to further

1 increase college access and success for low- and moderate-  
 2 income students, by making key investments and adopting  
 3 best practices, such as—

4           “(1) awarding additional need-based financial  
 5 aid;

6           “(2) enhancing academic and student support  
 7 services;

8           “(3) improving student learning and other out-  
 9 comes while reducing costs;

10           “(4) using technology to scale and enhance im-  
 11 provements; and

12           “(5) establishing or expanding accelerated  
 13 learning opportunities.

14           “(f) AMOUNT OF GRANT FUNDS.—

15           “(1) IN GENERAL.—Each eligible institution of  
 16 higher education that receives a grant under this  
 17 section shall receive annual grant funds in an  
 18 amount equal to—

19           “(A) the number of Pell Grant recipients  
 20 who graduate from the institution on time (de-  
 21 fined as an amount of time equal to or less  
 22 than 100 percent of program length based on  
 23 full-time enrollment status) in the previous aca-  
 24 demic year; multiplied by

1           “(B) a per-student base amount, which  
2           shall be determined by the Secretary and shall  
3           be based on the type of institution receiving the  
4           grant (such as whether the institution provides  
5           a 2-year program or a 4-year program).

6           “(2) ADDITIONAL PER-STUDENT FUNDS.—In  
7           addition to the amount of grant funds awarded  
8           under paragraph (1), the Secretary shall award eligi-  
9           ble institutions that graduate a number of Pell  
10          Grant recipients in excess of a certain threshold  
11          number established by the Secretary, a per-student  
12          bonus amount (in excess of the per student base  
13          amount described in paragraph (1)(B)) for each ad-  
14          ditional Pell Grant recipient who graduates from the  
15          institution that is in excess of that threshold.

16          “(g) SUPPLEMENT NOT SUPPLANT.—Funds made  
17          available under this section shall be used to supplement,  
18          and not supplant—

19                 “(1) other State funds that eligible States  
20                 would otherwise expend to carry out activities under  
21                 this section to improve college affordability and  
22                 graduate additional low-income and moderate-income  
23                 students; and

24                 “(2) other institutional funds that eligible insti-  
25                 tutions receiving a grant under this section would

1 otherwise expend to carry out activities under this  
 2 section to improve college affordability and graduate  
 3 additional low-income and moderate-income stu-  
 4 dents.

5 “(h) EVALUATION.—Not later than 3 years after the  
 6 enactment of this section, the Secretary shall prepare and  
 7 submit to Congress a report that contains an evaluation  
 8 of the effectiveness of the pilot program under this section  
 9 in improving college access and success for low-income and  
 10 moderate-income students.

11 “(i) AUTHORIZATION OF APPROPRIATIONS.—There  
 12 are authorized to be appropriated to carry out this section  
 13 such sums as may be necessary for fiscal year 2015 and  
 14 each of the five succeeding fiscal years.”.

## 15 **Subpart 2—Early Awareness of College Financing**

### 16 **Options**

#### 17 **SEC. 403. FEDERAL TRIO PROGRAMS AUTHORIZATION.**

18 Section 402A(g) (20 U.S.C. 1070a–11(g)) is amend-  
 19 ed by striking “\$900,000,000” and all that follows  
 20 through “years.” and inserting “such sums as may be nec-  
 21 essary for fiscal year 2015 and each of the five succeeding  
 22 fiscal years.”.

1 **SEC. 404. POSTBACCALAUREATE ACHIEVEMENT PROGRAM**  
 2 **AUTHORIZATION.**

3 Section 402E(g) (20 U.S.C. 1070a–15(g)) is amend-  
 4 ed by striking “each of the fiscal years 2009 through  
 5 2014” and inserting “fiscal year 2015 and each of the  
 6 five succeeding fiscal years”.

7 **SEC. 405. GAINING EARLY AWARENESS AND READINESS**  
 8 **FOR UNDERGRADUATE PROGRAMS AUTHOR-**  
 9 **IZATION.**

10 Section 404H (20 U.S.C. 1070a–28) is amended by  
 11 striking “\$400,000,000” and all that follows through the  
 12 period at the end and inserting “such sums as may be  
 13 necessary for fiscal year 2015 and each of the five suc-  
 14 ceeding fiscal years”.

15 **SEC. 405A. EARLY AWARENESS OF COLLEGE FINANCING**  
 16 **OPTIONS.**

17 Subpart 2 of part A of title IV (20 U.S.C. 1070a–  
 18 11 et seq.) is amended by adding at the end the following:

19 **“CHAPTER 3—EARLY AWARENESS OF**  
 20 **COLLEGE FINANCING OPTIONS**

21 **“SEC. 405A. EARLY AWARENESS OF COLLEGE FINANCING**  
 22 **OPTIONS.**

23 “(a) PURPOSE.—The purpose of this section is to es-  
 24 tablish a demonstration program that explores the effec-  
 25 tiveness of early notification of postsecondary financial aid  
 26 options and the cost of postsecondary education.

1 “(b) GRANTS AUTHORIZED; DURATION.—

2 “(1) GRANTS AUTHORIZED.—From amounts  
3 appropriated under subsection (l) and not reserved  
4 under paragraph (3), and beginning after the first  
5 postsecondary education information form described  
6 in subsection (h) has been developed, the Secretary  
7 is authorized to award grants to 15 State edu-  
8 cational agencies to enable such agencies to pay the  
9 expenses, including the expenses of local educational  
10 agencies in the State, for providing information in a  
11 cost-effective way to students in grades 8 through  
12 12 in order to—

13 “(A) increase student awareness of, and  
14 access to, postsecondary education; and

15 “(B) increase the likelihood that those stu-  
16 dents will apply for postsecondary financial aid  
17 and attend an institution of higher education.

18 “(2) DURATION.—A grant awarded under this  
19 section shall be awarded for a 3-year period.

20 “(3) RESERVATION OF FUNDS.—From amounts  
21 made available to carry out this section for a fiscal  
22 year, the Secretary may reserve not more than 1  
23 percent to award a grant to the Bureau of Indian  
24 Education, to enable the Bureau to carry out the

1 purposes of this section with respect to schools oper-  
2 ated or funded by the Bureau.

3 “(c) STATE EDUCATIONAL AGENCY APPLICA-  
4 TIONS.—

5 “(1) IN GENERAL.—Each State educational  
6 agency desiring to participate in the demonstration  
7 program under this section shall submit an applica-  
8 tion to the Secretary at such time and in such man-  
9 ner as the Secretary may require.

10 “(2) CONTENTS.—Each application described in  
11 paragraph (1) shall include—

12 “(A) a commitment to utilize the postsec-  
13 ondary education information form described in  
14 subsection (h) (referred to in this section as the  
15 ‘information form’), including the provision of  
16 State-specific grant aid information, as de-  
17 scribed in subsection (h)(1)(G);

18 “(B) a description of how the State edu-  
19 cational agency plans to disseminate the infor-  
20 mation form to every school serving grades 8  
21 through 12 in the State;

22 “(C) an assurance that the State edu-  
23 cational agency will fully cooperate with the on-  
24 going evaluation of the demonstration program;  
25 and

1                   “(D) such other information as the Sec-  
2                   retary may require.

3           “(d) SELECTION CONSIDERATIONS.—In selecting  
4 State educational agencies to participate in the dem-  
5 onstration program under this section, the Secretary shall  
6 consider—

7                   “(1) the number and quality of State edu-  
8                   cational agency applications received;

9                   “(2) the geographic diversity of applicants; and

10                  “(3) a State educational agency’s—

11                           “(A) financial responsibility;

12                           “(B) administrative capability; and

13                           “(C) ability to ensure that the activities  
14 carried out under the demonstration program  
15 serve all students in grades 8 through 12 in the  
16 State.

17           “(e) SELECTION PRIORITY.—In selecting State edu-  
18 cational agencies to participate in the demonstration pro-  
19 gram under this section, the Secretary shall give priority  
20 to those States that have a high percentage of students  
21 who are eligible for free and reduced priced lunches under  
22 the Richard B. Russell National School Lunch Act (42  
23 U.S.C. 1751 et seq.) or who are, or come from families  
24 that are, eligible for benefits under another means-tested  
25 Federal benefit program as defined in section 479(d)(2).

1       “(f) ACTIVITIES.—Each State educational agency re-  
2       ceiving a grant under this section shall carry out the fol-  
3       lowing activities:

4               “(1) Make the information form available to  
5       every school in the State that serves students in  
6       grades 8 through 12 so that such schools can dis-  
7       tribute the form to each student in grades 8 through  
8       12, not less than once each school year, utilizing the  
9       most useful, effective, and relevant modes of commu-  
10      nication, including through technology.

11              “(2) Develop a statewide public awareness cam-  
12      paign, using a variety of media, to inform students  
13      about the cost of postsecondary education and the  
14      availability of financial aid.

15              “(3) Ensure that local educational agencies  
16      serving students who receive the information form  
17      will participate in the evaluation of the demonstra-  
18      tion program, and that data from such local edu-  
19      cational agencies will be made available in accord-  
20      ance with the requirements of section 444 of the  
21      General Education Provisions Act (20 U.S.C.  
22      1232g) (commonly known as the ‘Family Edu-  
23      cational Rights and Privacy Act of 1974’).

24              “(4) Conduct annual surveys of a representative  
25      sample of students who receive the information

1 form, both before the receipt of such form and after  
 2 the receipt of such form, to determine the short-term  
 3 and long-term effects of the information form, in-  
 4 cluding—

5 “(A) such students’ knowledge about the  
 6 cost of postsecondary education and financial  
 7 aid options;

8 “(B) the likelihood of such students apply-  
 9 ing for financial aid, attending an institution of  
 10 higher education, and enrolling in Advanced  
 11 Placement, International Baccalaureate, dual  
 12 enrollment, or early college high school pro-  
 13 grams; and

14 “(C) any other information the State edu-  
 15 cational agency determines relevant.

16 “(g) DEVELOPMENT OF AN INITIAL FORM.—

17 “(1) INITIAL DEVELOPMENT.—Not later than  
 18 90 days after the date of enactment of the Higher  
 19 Education Affordability Act, the Secretary, in con-  
 20 sultation with the heads of relevant Federal agencies  
 21 and representatives of higher education mentors, ad-  
 22 missions staff from institutions of higher education,  
 23 financial aid staff, student and parent focus groups  
 24 (including students and parents from low-income  
 25 families), consumer advocates, and secondary school

1 guidance counselors, shall complete the development  
2 of an initial model form of postsecondary education  
3 information (referred to in this subsection as the  
4 ‘initial form’).

5 “(2) CONSUMER TESTING PROCESS.—The Sec-  
6 retary shall—

7 “(A) submit the initial form for consumer  
8 testing that is in accordance with section 483C  
9 and includes the representatives described in  
10 paragraph (1); and

11 “(B) not later than 60 days after the con-  
12 clusion of the consumer testing under subpara-  
13 graph (A), use the results of the consumer test-  
14 ing of the initial form in the development of a  
15 final information form described in subsection  
16 (h).

17 “(h) POSTSECONDARY EDUCATION INFORMATION  
18 FORM.—

19 “(1) IN GENERAL.—The Secretary shall de-  
20 velop, using the best available evidence and research,  
21 an information form that the Secretary shall update  
22 annually and distribute to all State educational  
23 agencies that receive a grant under this section. The  
24 information form shall contain, at a minimum, the  
25 following information:

1           “(A) Information about Federal Pell  
2 Grants, including—

3           “(i) the maximum amount of a Fed-  
4 eral Pell Grant for the award year in  
5 which the form will be disbursed to stu-  
6 dents, as determined under clauses (i) and  
7 (ii) of section 401(b)(2)(A), which shall be  
8 the most visually prominent figure on the  
9 information form; and

10          “(ii) information about when, and  
11 how, a student may apply for a Federal  
12 Pell Grant.

13          “(B) Information on—

14          “(i) Federal student financial aid op-  
15 tions, including a description of all avail-  
16 able Federal grants (including Federal  
17 supplemental educational opportunity  
18 grants under subpart 3), loans (including  
19 loans under parts D and E), work study  
20 assistance under part C, and scholarships  
21 for postsecondary education; and

22          “(ii) the application processes for such  
23 grants, loans, assistance, and scholarships.

24          “(C) Information about Federal tax credits  
25 available for higher education expenses.

1           “(D) Links to the application for the Free  
2           Application for Federal Student Aid described  
3           in section 483 and Federal student aid  
4           websites.

5           “(E) A link to the Department’s College  
6           Affordability and Transparency Center website,  
7           including a link to a webpage providing infor-  
8           mation about net price calculators, or a suc-  
9           cessor website with similar information.

10          “(F) Information about fee waivers for ap-  
11          plications for institutions of higher education  
12          that may be available to qualified students.

13          “(G) A State-specific section, in which  
14          each State educational agency shall include in-  
15          formation on State grants for postsecondary  
16          education.

17          “(2) DISTRIBUTION OF FINAL FORM.—The Sec-  
18          retary shall make the final information form de-  
19          scribed in this subsection available to all State edu-  
20          cational agencies that receive a grant under this sec-  
21          tion.

22          “(i) STATE REPORT.—Each State educational agency  
23          receiving a grant under this section shall use results from  
24          the surveys described in subsection (f)(4), and other perti-

1    nent information, to submit an annual report to the Sec-  
2    retary that includes the following:

3           “(1) A description of the delivery method by  
4           which the information form was given to students,  
5           and a measurement of the reach of such delivery  
6           method.

7           “(2) The number of students who report being  
8           encouraged to pursue higher education by the activi-  
9           ties carried out under the grant program.

10          “(3) A description of the barriers to the effec-  
11          tiveness of the grant program.

12          “(4) An assessment of the cost-effectiveness of  
13          the grant program in improving access to higher  
14          education.

15          “(5) An identification of outcomes related to  
16          postsecondary education attendance, including  
17          whether a student who received the information form  
18          reported being more likely, as compared to before  
19          having received such form—

20               “(A) to enroll in Advanced Placement,  
21               International Baccalaureate, dual enrollment, or  
22               early college high school programs;

23               “(B) in the case of a student in grade 12,  
24               to submit an application to an institution of  
25               higher education;

1           “(C) to take the Preliminary SAT/National  
2           Merit Scholarship Qualifying Test (PSAT/  
3           NMSQT), SAT, or ACT; and

4           “(D) in the case of a student in grade 12,  
5           to file a Free Application for Federal Student  
6           Aid described in section 483.

7           “(6) The number of students who received the  
8           information form and were in grade 12 in the pre-  
9           vious year, disaggregated by race, ethnicity, gender,  
10          status as an English language learner, status as an  
11          economically disadvantaged individual, and status as  
12          an individual with a disability (except that such  
13          disaggregation shall not be required in a case in  
14          which the results would reveal personally identifiable  
15          information about an individual student), who—

16               “(A) enrolled in an institution of higher  
17               education;

18               “(B) applied for Federal student financial  
19               aid; and

20               “(C) received Federal student financial  
21               aid.

22           “(7) A description of the impact of the grant  
23           program on the parents of students who received the  
24           information form.

1       “(j) EVALUATION AND DISSEMINATION OF RE-  
2 SEARCH ON BEST PRACTICES.—The Secretary, acting  
3 through the Director of the Institute of Education  
4 Sciences, shall—

5           “(1) develop performance measures, taking into  
6 account the elements that are included in the State  
7 report described in subsection (i), for grantees to as-  
8 certain outcomes and progress related to the grant  
9 program;

10          “(2) evaluate the demonstration program, using  
11 both quantitative and qualitative methods, to exam-  
12 ine the effectiveness of delivery methods used in dis-  
13 seminating the information form to students; and

14          “(3) identify best practices and disseminate re-  
15 search on best practices—

16           “(A) to State educational agencies, local  
17 educational agencies, elementary school and sec-  
18 ondary school guidance counselors, and other  
19 interested stakeholders; and

20           “(B) by making such research publicly  
21 available on the website of the Institute of Edu-  
22 cation Sciences.

23       “(k) IMPLEMENTATION.—

24           “(1) IN GENERAL.—The Secretary shall—

1           “(A) upon completion of the grant period,  
2           use the results of the evaluation described in  
3           subsection (j) to work with all State educational  
4           agencies and with local educational agencies to  
5           use the results of the evaluation described in  
6           subsection (j) to disseminate the information  
7           form described in subsection (h) to every State  
8           educational agency; and

9           “(B) in cooperation with States, institu-  
10          tions of higher education, organizations involved  
11          in college access and student financial aid, em-  
12          ployers, and workforce investment boards, make  
13          special efforts to provide the information form  
14          to individuals who may qualify as independent  
15          students, as defined in section 480(d).

16          “(2) STATE EDUCATIONAL AGENCIES.—Not  
17          later than 1 year after receiving the first informa-  
18          tion form from the Secretary under paragraph (1),  
19          each State educational agency that receives assist-  
20          ance under part A of title I of the Elementary and  
21          Secondary Education Act of 1965 (20 U.S.C. 6301  
22          et seq.) shall ensure that the information form is  
23          distributed to all students in grades 8 through 12 in  
24          the State.

1 “(l) AUTHORIZATION OF APPROPRIATIONS.—There  
 2 are authorized to be appropriated to carry out this section  
 3 such sums as may be necessary for fiscal year 2015 and  
 4 each of the 2 succeeding fiscal years.”.

5 **SEC. 405B. AWARENESS OF POSTSECONDARY EDUCATION**  
 6 **FINANCING OPTIONS FOR ADULT LEARNERS.**

7 Subpart 2 of part A of title IV (20 U.S.C. 1070a–  
 8 11 et seq.), as amended by section 405A, is further  
 9 amended by adding at the end the following:

10 **“CHAPTER 4—AWARENESS OF POSTSEC-**  
 11 **ONDARY EDUCATION FINANCING OP-**  
 12 **TIONS FOR ADULT LEARNERS**

13 **“SEC. 405B. AWARENESS OF POSTSECONDARY EDUCATION**  
 14 **FINANCING OPTIONS FOR ADULT LEARNERS.**

15 “(a) PURPOSE.—The purpose of this section is to es-  
 16 tablish a demonstration program that explores the effec-  
 17 tiveness of notification processes for adult students re-  
 18 garding postsecondary financial aid options and the cost  
 19 of postsecondary education.

20 “(b) GRANTS AUTHORIZED; DURATION.—

21 “(1) GRANTS AUTHORIZED.—From amounts  
 22 appropriated under subsection (l) and beginning  
 23 after the first information form described in sub-  
 24 section (h) has been developed, the Secretary is au-  
 25 thorized to award grants to 15 States to enable such

1 States to pay the expenses of providing information  
2 in a cost-effective way to adult students who have  
3 received a secondary school diploma or who have  
4 been out of secondary school for not less than 3  
5 years, in order to—

6 “(A) increase adult student awareness of,  
7 and access to, postsecondary education; and

8 “(B) increase the likelihood that adult stu-  
9 dents will apply for postsecondary financial aid  
10 and attend an institution of higher education.

11 “(2) DURATION.—A grant awarded under this  
12 section shall be awarded for a 3-year period.

13 “(c) STATE APPLICATIONS.—

14 “(1) DESIGNATION OF AGENCY.—In order for a  
15 State to apply for a grant under this part, the Gov-  
16 ernor of the State shall designate one agency as the  
17 eligible State agency who will apply for and admin-  
18 ister the grant.

19 “(2) APPLICATION PROCESS.—Each State agen-  
20 cy designated under paragraph (1) that desires to  
21 participate in the demonstration program under this  
22 section shall submit an application to the Secretary  
23 at such time and in such manner as the Secretary  
24 may require.

1           “(3) CONTENTS.—Each application described in  
2 paragraph (2) shall include—

3           “(A) a commitment to utilize the postsec-  
4 ondary education information form described in  
5 subsection (h) (referred to in this section as the  
6 ‘adult information form’), including the provi-  
7 sion of State-specific grant aid information, as  
8 described in subsection (h)(1)(B);

9           “(B) a description of how the State plans  
10 to disseminate the information form to—

11           “(i) one-stop centers, as defined in  
12 section 3 of the Workforce Innovation and  
13 Opportunity Act (29 U.S.C. 3102);

14           “(ii) offices that provide access to  
15 public benefits at the State and local lev-  
16 els, including unemployment insurance  
17 benefits, assistance or benefits provided  
18 under the State temporary assistance for  
19 needy families program funded under part  
20 A of title IV of the Social Security Act (42  
21 U.S.C. 601 et seq.) and medical assistance  
22 provided under the State Medicaid pro-  
23 gram established under title XIX of the  
24 Social Security Act (42 U.S.C. 1396 et  
25 seq.);

1 “(iii) public libraries;

2 “(iv) 2-year degree-granting institu-  
3 tions of higher education, including occu-  
4 pational programs at such institutions;

5 “(v) adult education providers, which  
6 may include 2-year degree-granting institu-  
7 tions of higher education or local edu-  
8 cational agencies;

9 “(vi) local boards, as defined in sec-  
10 tion 3 of Workforce Innovation and Oppor-  
11 tunity Act (29 U.S.C. 3102), and commu-  
12 nity-based programs;

13 “(C) an assurance that the State will fully  
14 cooperate with the ongoing evaluation of the  
15 demonstration program; and

16 “(D) such other information as the Sec-  
17 retary may require.

18 “(d) SELECTION CONSIDERATIONS.—In selecting  
19 States to participate in the demonstration program under  
20 this section, the Secretary shall consider—

21 “(1) the number and quality of State applica-  
22 tions received;

23 “(2) the geographic diversity of applicants;

1           “(3)(A) the financial responsibility of the State  
2           agency designated by the State to carry out the pro-  
3           gram;

4           “(B) the administrative capability of such agen-  
5           cy; and

6           “(C) such agency’s ability to ensure that the ac-  
7           tivities carried out under the grant program serve  
8           the maximum number of adult students in the State.

9           “(e) SELECTION PRIORITY.—In selecting States to  
10          participate in the demonstration program under this sec-  
11          tion, the Secretary shall give priority to those States that  
12          have a high percentage of adults who are unemployed, un-  
13          deremployed, or eligible for benefits under a Federal  
14          means-tested program.

15          “(f) ACTIVITIES.—Each State agency receiving a  
16          grant under this section shall carry out the following ac-  
17          tivities:

18               “(1) Make the information form available to  
19               every one-stop center, adult education program, pub-  
20               lic library, office that provides access to public bene-  
21               fits, 2-year degree-granting institution of higher edu-  
22               cation, and community-based program in the State  
23               that serves adult students so that such entities can  
24               distribute the form to each adult student utilizing  
25               services at the entity in the most useful, effective,

1 and relevant modes of communication, including  
2 through technology.

3 “(2) Develop a statewide public awareness cam-  
4 paign, using a variety of media, to inform adult stu-  
5 dents about the value of a postsecondary education,  
6 the availability of supports to help them balance  
7 work and school, the cost of postsecondary edu-  
8 cation, and the availability of financial aid.

9 “(3) Ensure that entities serving adult students  
10 who receive the information form will participate in  
11 the evaluation of the demonstration program, and  
12 that data from such entities will be made available  
13 in accordance with the requirements of section 444  
14 of the General Education Provisions Act (20 U.S.C.  
15 1232) (commonly known as the ‘Family Educational  
16 Rights and Privacy Act of 1974’).

17 “(4) Conduct annual surveys of a representative  
18 sample of adult students who receive the information  
19 form to determine the short-term and long-term ef-  
20 fects of the information form, including what those  
21 students know about the cost of postsecondary edu-  
22 cation and financial aid options, the likelihood of  
23 such students applying for financial aid, and attend-  
24 ing an institution of higher education, and any other  
25 information the State agency determines relevant—

1                   “(A) before the receipt of such form; and

2                   “(B) after the receipt of such form.

3           “(g) DEVELOPMENT OF AN INITIAL FORM.—

4                   “(1) INITIAL DEVELOPMENT.—Not later than  
5           90 days after the date of enactment of this Act, the  
6           Secretary, in consultation with the heads of relevant  
7           Federal agencies and representatives of college ad-  
8           missions staff, financial aid staff, adult student  
9           focus groups (including students from low-income  
10          families), consumer advocates, and adult education  
11          program directors, shall complete the development of  
12          an initial model form of postsecondary education in-  
13          formation (referred to in this subsection as the ‘ini-  
14          tial form’).

15                  “(2) CONSUMER TESTING PROCESS.—The Sec-  
16          retary shall—

17                          “(A) submit the initial form for consumer  
18                  testing in accordance with section 483C that in-  
19                  cludes the representatives described in para-  
20                  graph (1); and

21                          “(B) not later than 60 days after the con-  
22                  clusion of the consumer testing under subpara-  
23                  graph (A), use the results of the consumer test-  
24                  ing of the initial form in the development of a

1 final information form described in subsection  
 2 (h).

3 “(h) POSTSECONDARY EDUCATION INFORMATION  
 4 FORM.—

5 “(1) IN GENERAL.—The Secretary shall de-  
 6 velop, using the best available evidence and research,  
 7 an information form that the Secretary shall update  
 8 annually and distribute to all State agencies that re-  
 9 ceive a grant under this section. The information  
 10 form shall contain, at a minimum, the following in-  
 11 formation:

12 “(A) The information described in sub-  
 13 paragraphs (A) through (F) of section  
 14 405A(h)(1).

15 “(B) A State-specific section, in which  
 16 each State shall include information on State  
 17 grants for postsecondary education.

18 “(C) Information about the—

19 “(i) individual and societal benefits of  
 20 postsecondary education;

21 “(ii) importance of academic prepara-  
 22 tion;

23 “(iii) array of postsecondary options  
 24 available to adult students in the State, in-

cluding availability of programs that can help adults balance work and school; and

“(iv) the eligibility of the student for various Federal and State tax benefits and public benefits, such as assistance or benefits provided under the State temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and medical assistance provided under the State Medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

“(2) DISTRIBUTION OF FINAL FORM.—The Secretary shall make the final information form described in this subsection available to all States agencies that receive a grant under this section.

“(i) STATE REPORT.—Each State agency receiving a grant under this section shall use results from the surveys described in subsection (f)(4), and other pertinent information, to submit an annual report to the Secretary including the following:

“(1) A description of the delivery method by which the information form was given to students,

1 and a measurement of the reach of such delivery  
2 method.

3 “(2) The number of students who report being  
4 encouraged to pursue postsecondary education by  
5 the activities carried out under the grant program.

6 “(3) A description of the barriers to the effec-  
7 tiveness of the grant program.

8 “(4) An assessment of the cost-effectiveness of  
9 the grant program in improving access to postsec-  
10 ondary education.

11 “(5) An identification of outcomes related to  
12 postsecondary education attendance, including  
13 whether a student who received the information form  
14 reported being more likely, as compared to before  
15 having received such form—

16 “(A) to submit an application to an insti-  
17 tution of higher education;

18 “(B) to take the SAT or ACT; and

19 “(C) to file a Free Application for Federal  
20 Student Aid described in section 483.

21 “(6) The number of students who received the  
22 information form, disaggregated by race, ethnicity,  
23 gender, status as an English language learner, sta-  
24 tus as an economically disadvantaged individual, and  
25 status as an individual with a disability, (except that

1       such disaggregation shall not be required in a case  
 2       in which the results would reveal personally identifi-  
 3       able information about an individual student) who—

4               “(A) enrolled in an institution of higher  
 5       education;

6               “(B) applied for Federal student financial  
 7       aid; and

8               “(C) received Federal student financial  
 9       aid.

10              “(7) A description of the impact of the grant  
 11       program on the children of students who received  
 12       the information form.

13       “(j) EVALUATION AND DISSEMINATION OF RE-  
 14 SEARCH ON BEST PRACTICES.—The Secretary, acting  
 15 through the Director of the Institute of Education  
 16 Sciences, shall—

17              “(1) develop performance measures, taking into  
 18       account the elements that are included in the State  
 19       report described in subsection (i), for grantees to as-  
 20       certain outcomes and progress related to the grant  
 21       program;

22              “(2) evaluate the demonstration program, using  
 23       both quantitative and qualitative methods, to exam-  
 24       ine the effectiveness of delivery methods used in dis-  
 25       seminating the information form to students; and

1           “(3) identify best practices and disseminate re-  
2           search on best practices—

3           “(A) to States, State agencies admin-  
4           istering a grant under this section, local edu-  
5           cational agencies, community colleges, adult  
6           education programs, local workforce develop-  
7           ment boards, and other interested stakeholders;  
8           and

9           “(B) by making such research publicly  
10          available on the website of the Institute of Edu-  
11          cation Sciences.

12       “(k) IMPLEMENTATION.—

13       “(1) IN GENERAL.—The Secretary shall—

14       “(A) upon completion of the grant period,  
15       use the results of the evaluation described in  
16       subsection (j) to work with all States to use the  
17       results of the evaluation described in subsection  
18       (j) to disseminate the information form to the  
19       most appropriate agency in each State; and

20       “(B) in cooperation with States, institu-  
21       tions of higher education, organizations involved  
22       in postsecondary education access and student  
23       financial aid, employers, and workforce develop-  
24       ment boards, make special efforts to provide the  
25       information form to individuals who may qual-

1           ify as independent students, as defined in sec-  
2           tion 480(d).

3           “(2) STATE AGENCIES.—Not later than 1 year  
4           after receiving the first information form from the  
5           Secretary under paragraph (1), each State that re-  
6           ceives assistance under this Act shall ensure that the  
7           State agency receiving the information form under  
8           paragraph (1)(A) distributes the information form to  
9           all adult students, to the maximum extent prac-  
10          ticable.

11          “(1) AUTHORIZATION OF APPROPRIATIONS.—There  
12         are authorized to be appropriated to carry out this section  
13         such sums as may be necessary for fiscal year 2015 and  
14         each of the following 2 fiscal years.”.

15           **Subpart 3—Federal Supplemental Education**  
16                           **Opportunity Grants**

17         **SEC. 407. AUTHORIZATION OF APPROPRIATIONS.**

18           Section 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is  
19         amended by striking “2009” and inserting “2015”.

20         **SEC. 408. INSTITUTIONAL SHARE OF FEDERAL SUPPLE-**  
21                           **MENTAL EDUCATIONAL OPPORTUNITY**  
22                           **GRANTS.**

23           Section 413C(a)(2) (20 U.S.C. 1070b–2(a)(2)) is  
24         amended by striking “75 percent” and inserting “50 per-  
25         cent”.

1 **SEC. 409. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPOR-**  
2 **TUNITY GRANTS ALLOCATION OF FUNDS.**

3 Section 413D (20 U.S.C. 1070b–3) is amended—

4 (1) by striking subsection (a) and inserting the  
5 following:

6 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
7 TION.—

8 “(1) IN GENERAL.—From the amount appro-  
9 priated pursuant to section 413A(b), for each fiscal  
10 year, the Secretary shall allocate to each eligible in-  
11 stitution an amount equal to not less than 90 per-  
12 cent and not more than 110 percent of the amount  
13 that the eligible institution received under this sub-  
14 section and subsection (b) (as such subsections were  
15 in effect with respect to allocations for such fiscal  
16 year) for the previous fiscal year for which that in-  
17 stitution received funds under this section.

18 “(2) RATABLE REDUCTION.—If the amount ap-  
19 propriated for any fiscal year is less than the  
20 amount required to be allocated to all institutions  
21 under paragraph (1), then the amount of the alloca-  
22 tion to each such institution shall be ratably re-  
23 duced.

24 “(3) NO PREVIOUS ALLOCATION.—In the case  
25 of an institution that has not received a previous al-  
26 location under this section, the Secretary shall allo-

1        cate funds under this section solely on the basis of  
2        the need determination described under subsection  
3        (c).”; and

4            (2) in subsection (c)—

5            (A) in paragraph (2), by striking “To de-  
6            termine the need of an institution’s eligible un-  
7            dergraduate students,” and inserting “Until  
8            such time as the Secretary establishes a revised  
9            method to determine the need of an institu-  
10          tion’s eligible undergraduate students, in ac-  
11          cordance with paragraph (5),”; and

12          (B) by adding at the end the following:

13            “(5) Not later than 1 year after the date of en-  
14          actment of the Higher Education Affordability Act,  
15          the Secretary shall establish a revised method for  
16          determining the need of an institution’s eligible un-  
17          dergraduate students, as described in paragraph (2),  
18          which shall take into account the number of low-  
19          and moderate-income students that an eligible insti-  
20          tution serves. The Secretary shall promulgate any  
21          regulations necessary to carry out the revised meth-  
22          ods of determining an eligible institution’s need  
23          under this subsection.”.

**Subpart 4—American Dream Grants and LEAP  
Program**

**SEC. 415. PURPOSE; APPROPRIATIONS AUTHORIZED.**

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

(1) in subsection (a), in the matter preceding paragraph (1) of subsection (a), by inserting “to award American dream grants under section 415G and” before “to make”; and

(2) in subsection (b)—

(A) in paragraph (1), by striking “subpart” and all that follows through the period at the end and inserting “subpart (except for section 415F) such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.”; and

(B) by adding at the end the following:

“(4) AUTHORIZATION OF APPROPRIATIONS FOR AMERICAN DREAM GRANTS.—There are authorized to be appropriated to carry out section 415F such sums as may be necessary for fiscal year 2015 and each of the five succeeding fiscal years.”.

**SEC. 416. AMERICAN DREAM GRANTS.**

Subpart 4 of part A of title IV (20 U.S.C. 1070c et seq.) is amended—

(1) by redesignating section 415F as section 415G; and

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

2 **“SEC. 415F. AMERICAN DREAM GRANTS.**

3 “(a) DREAMER STUDENTS.—

4 “(1) IN GENERAL.—In this section, the term  
5 ‘Dreamer student’ means an individual who—

6 “(A) was younger than 16 years of age on  
7 the date on which the individual initially en-  
8 tered the United States;

9 “(B) has provided, to the applicable State,  
10 a list of each secondary school that the student  
11 attended in the United States; and

12 “(C)(i) has earned a high school diploma  
13 or the recognized equivalent of such diploma  
14 from a secondary school, has obtained a high  
15 school equivalency diploma in the United  
16 States, or is scheduled to complete the require-  
17 ments for such a diploma or equivalent before  
18 the next academic year begins;

19 “(ii) has acquired a degree from an institu-  
20 tion of higher education or has completed not  
21 less than 2 years in a program for a bacca-  
22 laurate degree or higher degree at an institu-  
23 tion of higher education in the United States  
24 and has made satisfactory progress, as defined

1 in section 484(c), in the program of study dur-  
 2 ing such time period; or

3 “(iii) has served in the uniformed services,  
 4 as defined in section 101 of title 10, United  
 5 States Code, for not less than 4 years and, if  
 6 discharged, received an honorable discharge.

7 “(2) HARDSHIP EXCEPTION.—The Secretary  
 8 shall issue regulations that direct when a State shall  
 9 waive the requirement of subparagraph (A) or (B),  
 10 or both, of paragraph (1) for an individual to qualify  
 11 as a Dreamer student under such paragraph, if the  
 12 individual—

13 “(A) demonstrates compelling cir-  
 14 cumstances for the inability to satisfy the re-  
 15 quirement of such subparagraph (A) or (B), or  
 16 both; and

17 “(B) satisfies the requirement of para-  
 18 graph (1)(C).

19 “(b) GRANTS TO STATES.—

20 “(1) RESERVATION FOR ADMINISTRATION.—  
 21 From the amounts appropriated to carry out this  
 22 section for each fiscal year, the Secretary may re-  
 23 serve not more than 1 percent of such amounts to  
 24 administer this section.

1           “(2) GRANTS AUTHORIZED TO ELIGIBLE  
 2 STATES.—From the amounts appropriated to carry  
 3 out this section for each fiscal year and not reserved  
 4 under paragraph (1), the Secretary shall award  
 5 grants, through allotments under paragraph (4), to  
 6 eligible States to enable the eligible States to carry  
 7 out the activities described in clauses (i) and (ii) of  
 8 paragraph (3)(A).

9           “(3) ELIGIBLE STATE.—In this section, the  
 10 term ‘eligible State’ means a State that—

11               “(A) increases access and affordability to  
 12 higher education for students by—

13                   “(i) offering in-State tuition for  
 14 Dreamer students; or

15                   “(ii) expanding in-State financial aid  
 16 to Dreamer students; and

17               “(B) submits an application to the Sec-  
 18 retary that contains an assurance that—

19                   “(i) notwithstanding any other provi-  
 20 sion of law, the State will not discriminate  
 21 in awarding student financial assistance or  
 22 determining who is eligible for in-State tui-  
 23 tion, against a Dreamer student who re-  
 24 sides in the State, if the student otherwise  
 25 qualifies for the assistance or tuition; and

1                   “(ii) for fiscal year 2015 and each of  
2                   the 4 succeeding fiscal years, the State will  
3                   maintain State support for public institu-  
4                   tions of higher education located in the  
5                   State (not including support for capital  
6                   projects, research and development, or tui-  
7                   tion and fees paid by students) at not less  
8                   than the level of such support for fiscal  
9                   year 2013, increased by a percentage equal  
10                  to the estimated percentage increase in the  
11                  Consumer Price Index (as such term is de-  
12                  fined in section 478(f)) between December  
13                  2013 and the December preceding the fis-  
14                  cal year for which the determination under  
15                  this clause is being made.

16               “(4) ALLOTMENTS.—The Secretary shall allot  
17               the amount appropriated to carry out this section  
18               for each fiscal year and not reserved under para-  
19               graph (1) among the eligible States in proportion to  
20               the number of Dreamer students enrolled at least  
21               half-time in postsecondary education who reside in  
22               the State for the most recent fiscal year for which  
23               satisfactory data are available, compared to the  
24               number of such students who reside in all eligible  
25               States for such fiscal year.

1       “(c) SUPPLEMENT NOT SUPPLANT.—Grant funds  
2 awarded under this section shall be used to supplement,  
3 and not supplant, non-Federal funds that would otherwise  
4 be used for activities authorized under this section.

5       “(d) APPLICABILITY.—The provisions of sections  
6 415B through 415E shall not apply to the program au-  
7 thorized by this section.”.

8       **Subpart 5—Reauthorization of Appropriations for**  
9                                   **Other Part A Programs.**

10   **SEC. 417. REAUTHORIZATION OF APPROPRIATIONS FOR**  
11                                   **OTHER PART A PROGRAMS.**

12       (a) SPECIAL PROGRAMS FOR STUDENTS WHOSE  
13 FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL  
14 FARMWORK.—Section 418A(i) (20 U.S.C. 1070d–2(i)) is  
15 amended by striking “\$75,000,000” and all that follows  
16 through the period at the end and inserting “such sums  
17 as may be necessary for fiscal year 2015 and each of the  
18 five succeeding fiscal years.”.

19       (b) ROBERT C. BYRD HONORS SCHOLARSHIP PRO-  
20 GRAM.—Section 419K (20 U.S.C. 1070d–41) is amended  
21 by striking “2009” and inserting “2015”.

22       (c) CHILD CARE ACCESS MEANS PARENTS IN  
23 SCHOOL.—Section 419N(g) (20 U.S.C. 1070e(g)) is  
24 amended by striking “2009” and inserting “2015”.

1     **PART B—FEDERAL FAMILY EDUCATION LOAN**  
2                                   **PROGRAM**

3     **SEC. 421. SIMPLIFICATION OF INCOME-BASED REPAYMENT**  
4                                   **OPTIONS FOR FEDERALLY INSURED STU-**  
5                                   **DENT LOANS.**

6           (a) AMENDMENT REPLACING INCOME-SENSITIVE  
7 REPLACEMENT.—Section 427(a)(2)(H) (20 U.S.C.  
8 1077(a)(2)(H)) is amended—

9               (1) by striking “graduated or income-sensitive  
10 repayment schedule” and inserting “graduated re-  
11 payment schedule or income-based repayment sched-  
12 ule under section 493C”; and

13               (2) by striking “in accordance with the regula-  
14 tions of the Secretary” and inserting “in accordance  
15 with section 493C and regulations issued by the Sec-  
16 retary”.

17           (b) EFFECTIVE DATE RELATING TO TERMINATION  
18 OF INCOME-SENSITIVE REPAYMENT.—The amendments  
19 made by subsection (a) shall take effect on the date that  
20 is 1 year after the date of enactment of this Act.

21     **SEC. 422. IMPROVEMENTS TO MILITARY LOAN DEFERMENT;**  
22                                   **CLARIFICATION OF SCRA PROTECTIONS; SIM-**  
23                                   **PLIFICATION OF INCOME-BASED REPAYMENT**  
24                                   **OPTIONS.**

25           (a) AMENDMENTS.—Section 428 (20 U.S.C. 1078) is  
26 amended—

1 (1) in subsection (b)—

2 (A) in paragraph (1)—

3 (i) in subparagraph (D), by striking  
4 “may, following a default by the borrower,  
5 be subject to income contingent repayment  
6 in accordance with subsection (m)” and in-  
7 serting “may, following a default by the  
8 borrower, be subject to income-based re-  
9 payment in accordance with subsection (m)  
10 and section 493C(d)”;

11 (ii) in subparagraph (E)(i), by strik-  
12 ing “standard, graduated” and all that fol-  
13 lows and inserting “standard, graduated,  
14 income-based, or extended repayment  
15 schedule (as described in paragraph (9)),  
16 established by the lender in accordance  
17 with the regulations of the Secretary”; and

18 (iii) in subparagraph (M)—

19 (I) by redesignating clause (iv) as  
20 clause (v);

21 (II) in clause (iii), by striking  
22 “the borrower—” and all that follows  
23 through “described in subclause (I) or  
24 (II); or” and inserting “the borrower  
25 is performing eligible military service,

1 and for the 180-day period following  
 2 the demobilization date for such eligi-  
 3 ble military service;” and

4 (III) by inserting after clause  
 5 (iii) the following:

6 “(iv) not in excess of 180 days after  
 7 the effective movement date listed on the  
 8 military orders of a borrower’s spouse if  
 9 that spouse is a member of the Armed  
 10 Forces who has received military orders for  
 11 a permanent change of station; or”; and

12 (B) in paragraph (9)(A)(iii), by inserting  
 13 “and an income-sensitive repayment plan shall  
 14 be available only for borrowers who have se-  
 15 lected or been required to use such a plan be-  
 16 fore the date that is 1 year after the date of en-  
 17 actment of the Higher Education Affordability  
 18 Act” before the semicolon at the end;

19 (2) in subsection (d), by striking “section 207  
 20 of the Servicemembers Civil Relief Act (50 U.S.C.  
 21 App. 527)” and inserting “the Servicemembers Civil  
 22 Relief Act (50 U.S.C. App. 501 et seq.)”; and

23 (3) by striking subsection (m) and inserting the  
 24 following:

25 “(m) INCOME-BASED REPAYMENT.—

1           “(1) AUTHORITY OF SECRETARY TO RE-  
2       QUIRE.—The Secretary may require borrowers who  
3       have defaulted on loans made under this part that  
4       are assigned to the Secretary under subsection  
5       (c)(8) to repay those loans under an income-based  
6       repayment plan, under terms and conditions estab-  
7       lished by the Secretary that are the same, or similar  
8       to, the terms and conditions established under such  
9       section.

10           “(2) LOANS FOR WHICH INCOME-BASED REPAY-  
11       MENT MAY BE REQUIRED.—A loan made under this  
12       part may be required to be repaid under this sub-  
13       section if the note or other evidence of the loan has  
14       been assigned to the Secretary pursuant to sub-  
15       section (c)(8).”.

16       (b) RULEMAKING REGARDING TERMINATION OF IN-  
17       COME CONTINGENT AND INCOME-SENSITIVE REPAYMENT  
18       PLANS.—By not later than 1 year after the date of enact-  
19       ment of this Act, the Secretary of Education shall promul-  
20       gate a final rule ending all eligibility for income contingent  
21       and income-sensitive repayment plans for loans made  
22       under part B or D of title IV of the Higher Education  
23       Act of 1965 unless the borrowers have selected, and re-  
24       mained continuously enrolled in, such payment plans be-  
25       fore the date that is 1 year after the date of enactment

1 of this Act, in accordance with the amendments made by  
2 this Act.

3 (c) EFFECTIVE DATE REGARDING INCOME CONTIN-  
4 GENT AND INCOME-SENSITIVE REPAYMENT PLANS.—The  
5 amendments made by clauses (i) and (ii) of subparagraph  
6 (A), and subparagraph (B), of paragraph (1), and by  
7 paragraph (3), of subsection (a) shall take effect on the  
8 date that is 1 year after the date of enactment of this  
9 Act.

10 **SEC. 423. SIMPLIFICATION OF INCOME-BASED REPAYMENT**  
11 **OPTIONS FOR FEDERAL CONSOLIDATION**  
12 **LOANS.**

13 (a) AMENDMENTS.—Section 428C of such Act (20  
14 U.S.C. 1078–3) is amended—

15 (1) by striking subclause (V) of subsection  
16 (a)(3)(B)(i) and inserting the following:

17 “(V) an individual may obtain a subse-  
18 quent consolidation loan under section 455(g)  
19 only—

20 “(aa) for the purposes of obtaining in-  
21 come-based repayment under section 493C,  
22 and only if the loan has been submitted to  
23 the guaranty agency for default aversion or  
24 if the loan is already in default;

1 “(bb) for the purposes of using the  
 2 public service loan forgiveness program  
 3 under section 455(m); or

4 “(cc) for the purpose of using the no  
 5 accrual of interest for active duty service  
 6 members benefit offered under section  
 7 455(o).”;

8 (2) in subsection (b)—

9 (A) by striking subparagraph (E) of para-  
 10 graph (1) and inserting the following:

11 “(E) that the lender shall—

12 “(i) offer an income-based repayment  
 13 schedule, established by the lender in ac-  
 14 cordance with section 493C and regula-  
 15 tions promulgated by the Secretary, to the  
 16 borrower of any consolidation loan made  
 17 by the lender on or after July 1, 1994, and  
 18 before July 1, 2010; and

19 “(ii) only in the case of any borrower  
 20 who has selected, before the date that is 1  
 21 year after the date of enactment of the  
 22 Higher Education Affordability Act, an in-  
 23 come-sensitive repayment schedule, in ac-  
 24 cordance with regulations promulgated by  
 25 the Secretary and as in effect on the day

1 before the date that is 1 year before such  
2 date of enactment, continue to offer such  
3 borrower the income-sensitive repayment  
4 schedule until the borrower selects an al-  
5 ternative repayment schedule;” and

6 (B) in paragraph (5), by inserting “(if  
7 such borrower has selected an income contin-  
8 gent repayment schedule before the date that is  
9 1 year after the date of enactment of the High-  
10 er Education Affordability Act)” after “income  
11 contingent repayment under part D of this  
12 title”; and

13 (3) in subsection (c)—

14 (A) in the matter preceding clause (i) of  
15 paragraph (2)(A), by inserting “, except that an  
16 income-sensitive repayment schedule shall only  
17 be available to borrowers who have selected  
18 such schedule before the date that is 1 year  
19 after the date of enactment of the Higher Edu-  
20 cation Affordability Act” after “regulations of  
21 the Secretary”; and

22 (B) in paragraph (3)(B), by inserting “for  
23 borrowers who have selected income contingent  
24 repayment before the date that is 1 year after

1 the date of enactment of the Higher Education  
 2 Affordability Act” after “subsection (b)(5)”.

3 (b) EFFECTIVE DATE FOR TERMINATION OF IN-  
 4 COME-SENSITIVE OR INCOME CONTINGENT REPAYMENT  
 5 PLANS.—The amendments made by subsection (a) shall  
 6 take effect on the date that is 1 year after the date of  
 7 enactment of this Act.

8 **SEC. 424. REASONABLE COLLECTION COSTS AND REHABILI-**  
 9 **TATION PAYMENTS.**

10 Section 428F (20 U.S.C. 1078–6) is amended—

11 (1) in subsection (a)—

12 (A) by striking item (aa) of paragraph  
 13 (1)(D)(i)(II) and inserting the following:

14 “(aa) charge to the borrower  
 15 an amount that is reasonable and  
 16 that does not exceed the bona  
 17 fide collection costs associated  
 18 with such loan that are actually  
 19 incurred in collecting the debt  
 20 against the borrower, which  
 21 amount shall not exceed 16 per-  
 22 cent of the outstanding principal  
 23 and interest at the time of the  
 24 loan sale; and”;

25 (B) by striking paragraph (5); and

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

2 “(d) DETERMINATION OF REASONABLE AND AF-  
3 FORDABLE.—

4 “(1) IN GENERAL.—For purposes of this sec-  
5 tion, a monthly payment shall be reasonable and af-  
6 fordable based upon the borrower’s total financial  
7 circumstances if the payment is the equivalent of a  
8 monthly payment amount determined for a borrower  
9 under the income-based repayment plan under sec-  
10 tion 493C, except that in no cases shall the monthly  
11 payment under this section be less than \$5.

12 “(2) APPEALS PROCESS.—The Secretary shall  
13 establish a clear and accessible process for appealing  
14 the monthly payment amount determined as reason-  
15 able and affordable under this section in any case  
16 where a borrower believes that the borrower’s  
17 monthly payment amount is incorrect, or that the  
18 amount calculated for the borrower under paragraph  
19 (1) is based on incorrect information or is unreason-  
20 able based on the borrower’s total circumstances.”.

21 **SEC. 425. FFEL LOAN FORGIVENESS FOR CERTAIN AMER-**  
22 **ICAN INDIAN EDUCATORS.**

23 Section 428J(c) (20 U.S.C. 1078–10(c)) is amended  
24 by adding at the end the following:

1           “(4) AMERICAN INDIAN TEACHERS IN LOCAL  
 2           EDUCATIONAL AGENCIES WITH A HIGH PERCENTAGE  
 3           OF AMERICAN INDIAN STUDENTS.—Notwithstanding  
 4           the amount specified in paragraph (1) and the re-  
 5           quirements under subparagraphs (A) and (B) of  
 6           subsection (b)(1), the aggregate amount that the  
 7           Secretary shall repay under this section shall be not  
 8           more than \$17,500 in the case of a borrower who—

9                   “(A) has been employed as a full-time  
 10           teacher for 5 consecutive complete school years  
 11           in a local educational agency described in sec-  
 12           tion 7112(b) of the Elementary and Secondary  
 13           Education Act of 1965 or in a school operated  
 14           or funded by the Bureau of Indian Education;  
 15           and

16                   “(B) is a member of an Indian tribe (as  
 17           defined in section 4 of the Indian Self-Deter-  
 18           mination and Education Assistance Act (25  
 19           U.S.C. 450b)).”.

20 **SEC. 426. REAUTHORIZATION OF APPROPRIATIONS FOR**  
 21 **CERTAIN LOAN FORGIVENESS PROGRAMS.**

22           (a) LOAN FORGIVENESS FOR SERVICE IN AREAS OF  
 23 NATIONAL NEEDS.—Section 428K(h) (20 U.S.C. 1078–  
 24 11(h)) is amended by striking “2009” and inserting  
 25 “2015”.

1 (b) LOAN REPAYMENT FOR CIVIL LEGAL ASSIST-  
 2 ANCE ATTORNEYS.—Section 428L(i) (20 U.S.C. 1078–  
 3 11(i)) is amended by striking “\$10,000,000” and all that  
 4 follows through the period at the end and inserting “such  
 5 sums as may be necessary for fiscal year 2015 and each  
 6 of the five succeeding fiscal years.”.

7 **SEC. 427. IMPROVEMENTS TO CREDIT REPORTING FOR**  
 8 **FEDERAL STUDENT LOANS.**

9 Section 430A (20 U.S.C. 1080A) is amended—

10 (1) by redesignating subsections (d) through (f)  
 11 as subsections (e) through (g), respectively; and

12 (2) by inserting after subsection (c) the fol-  
 13 lowing:

14 “(d) TREATMENT OF REHABILITATION AND INCOME-  
 15 BASED REPAYMENT AND INCOME CONTINGENT REPAY-  
 16 MENT PLANS.—

17 “(1) NECESSARY STEPS.—The Secretary and  
 18 each guaranty agency, eligible lender, and subse-  
 19 quent holder of a loan shall take all necessary steps  
 20 to ensure that information furnished under this sec-  
 21 tion about a loan covered by Federal loan insurance  
 22 pursuant to this part or covered by a guaranty  
 23 agreement pursuant to section 428, or a loan made  
 24 under part D, is reported in a manner that reflects  
 25 the unique attributes of a Federal student loan

1 under this title. The necessary steps required shall  
2 include—

3 “(A) furnishing consumer reporting agen-  
4 cies with information about a loan’s delin-  
5 quency, default, post-default performance, reha-  
6 bilitation, and post-rehabilitation performance,  
7 as applicable, in a manner that ensures the en-  
8 tire loan history is reported as a single open ac-  
9 count for the duration of the borrower’s finan-  
10 cial obligation;

11 “(B) reporting a payment as paid as  
12 agreed if the payment made—

13 “(i) satisfies the terms of the bor-  
14 rower’s income-based repayment plan  
15 under section 493C or any income contin-  
16 gent repayment plan authorized under sec-  
17 tion 455(e); or

18 “(ii) is a reasonable and affordable  
19 payment made by a borrower subject to  
20 section 428F that meet the requirements  
21 of such section; and

22 “(C) for purposes of payments under an  
23 income-based repayment plan under section  
24 493C or any income contingent repayment plan  
25 authorized under section 455(e), any additional

steps that the Secretary determines necessary,  
 through rulemaking or published guidance,  
 based on the results of the study performed  
 under section 1018 of the Higher Education Af-  
 fordability Act.

“(2) APPLICATION TO AGENTS AND CONTRAC-  
 TORS.—The requirements of paragraph (1) shall  
 apply to any person furnishing information about  
 loan performance on behalf of the Secretary, a guar-  
 anty agency, eligible lender, or subsequent holder of  
 a loan, including third party student loan servicers  
 or collectors.”.

**SEC. 428. REDUCED DUPLICATION IN STUDENT LOAN SERV-  
 ICING.**

Section 432(l)(4) (20 U.S.C. 1082(l)(4)) is amended  
 by striking “simplifying and standardizing” and inserting  
 “simplifying, standardizing, and reducing duplication in”.

**SEC. 429. IMPROVED DETERMINATION OF COHORT DE-  
 FAULT RATES; PUBLICATION OF DEFAULT  
 PREVENTION PLAN.**

Section 435 (20 U.S.C. 1085) is amended—

(1) in subsection (a)—

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

1           “(E) In any case where the Secretary has de-  
 2           termined that the institution has engaged in default  
 3           manipulation, the Secretary—

4                   “(i) shall recalculate the cohort default  
 5                   rate for the institution under this section using  
 6                   corrected data and information, for all fiscal  
 7                   years for which the default manipulation has  
 8                   occurred; and

9                   “(ii) using the recalculated cohort default  
 10                  rate, shall redetermine under subsection (a)(2)  
 11                  whether the institution is ineligible to partici-  
 12                  pate in a program under this title.”; and

13                  (B) in paragraph (7)(A), by adding at the  
 14                  end the following:

15                           “(iii) SUMMARY OF DEFAULT PRE-  
 16                           VENTION PLAN.—Upon receiving technical  
 17                           assistance from the Secretary under clause  
 18                           (ii), each institution subject to this sub-  
 19                           paragraph shall—

20                                   “(I) prepare a summary of the  
 21                                   plan described under clause (i) that is  
 22                                   directed to a student audience;

23                                   “(II) make the summary publicly  
 24                                   available; and

1 “(III) provide the summary to  
2 students at the institution.”; and

3 (2) in subsection (m)(3), by striking “through  
4 the use of” and all that follows through the period  
5 at the end and inserting “through default manipula-  
6 tion.”.

7 **SEC. 430. IMPROVED DISABILITY DETERMINATIONS.**

8 (a) IN GENERAL.—Section 437(a) (20 U.S.C.  
9 1087(a)) is amended—

10 (1) in the matter preceding subparagraph (A)  
11 of paragraph (1), by striking “Notwithstanding any  
12 other provision of this subsection,” and inserting  
13 “Except as provided in paragraph (4),”;

14 (2) by striking paragraph (2) and inserting the  
15 following:

16 “(2) SERVICE-CONNECTED DISABILITY DETER-  
17 MINATIONS.—

18 “(A) IN GENERAL.—A borrower who has  
19 been determined by the Secretary of Veterans  
20 Affairs or Secretary of Defense to be unemploy-  
21 able due to a service-connected condition and  
22 who provides documentation of such determina-  
23 tion to the Secretary of Education, shall be con-  
24 sidered permanently and totally disabled for the  
25 purpose of discharging such borrower’s loans

1 under this subsection, and such borrower shall  
2 not be required to present additional docu-  
3 mentation for purposes of this subsection.

4 “(B) DETERMINATION BY THE SECRETARY  
5 OF VETERANS AFFAIRS OR THE SECRETARY OF  
6 DEFENSE.—

7 “(i) IN GENERAL.—A borrower who  
8 has been assigned a disability rating of  
9 100 percent (or a combination of ratings  
10 equaling 100 percent or more) by the Sec-  
11 retary of Veterans Affairs or the Secretary  
12 of Defense for a service-connected dis-  
13 ability (as defined in section 101 of title  
14 38, United States Code) and who provides  
15 documentation of such rating to the Sec-  
16 retary of Education, shall be considered  
17 permanently and totally disabled for the  
18 purpose of discharging such borrower’s  
19 loans under this subsection, and such bor-  
20 rower shall not be required to present any  
21 additional documentation for purposes of  
22 this subsection.

23 “(ii) RATING OF DISABILITY.—A dis-  
24 ability rating described in clause (i), or  
25 similar determination of unemployability

1 by the Secretary of Veterans Affairs or the  
2 Secretary of Defense, transmitted in ac-  
3 cordance with clause (iii) shall be consid-  
4 ered sufficient documentation for purposes  
5 of this subsection.

6 “(iii) TRANSFER OF INFORMATION.—  
7 Not later than 180 days after the date of  
8 enactment of the Higher Education Afford-  
9 ability Act, the Secretary, in coordination  
10 with the Secretary of Defense and the Sec-  
11 retary of Veteran Affairs, shall create a  
12 system through which the applicable dis-  
13 ability ratings (or alternative means of  
14 transmitting a determination of  
15 unemployability) shall be automatically  
16 transmitted from the Department of De-  
17 fense or the Department of Veterans Af-  
18 fairs, as the case may be, to the Depart-  
19 ment of Education and shall satisfy the  
20 documentation requirement described in  
21 this subparagraph. The Secretary shall  
22 have the authority to enter into any agree-  
23 ments necessary to implement the require-  
24 ments of this subparagraph.

1           “(3) DISABILITY DETERMINATIONS BY THE SO-  
2           CIAL SECURITY ADMINISTRATION.—A borrower who  
3           has been determined by the Social Security Adminis-  
4           tration to be disabled with medical improvement not  
5           expected and who provides documentation of such  
6           determination to the Secretary of Education, shall  
7           be considered permanently and totally disabled for  
8           the purpose of discharging such borrower’s loans  
9           under this subsection, and such borrower shall not  
10          be required to present additional documentation for  
11          purposes of this subsection.

12          “(4) REINSTATEMENT PROVISIONS.—A bor-  
13          rower of a loan that is discharged under paragraph  
14          (2) or (3) shall not be subject to the reinstatement  
15          provisions described in paragraph (1).

16          “(5) DATA COLLECTION AND REPORT TO CON-  
17          GRESS.—

18                 “(A) DATA COLLECTION.—The Secretary  
19                 shall annually collect data about borrowers ap-  
20                 plying for, and borrowers receiving, loan dis-  
21                 charges under this subsection, which shall in-  
22                 clude the following:

23                         “(i) Data regarding—

24                                 “(I) the number of applications  
25                                 received under this subsection;

1 “(II) the number of such applica-  
2 tions that were approved; and

3 “(III) the number of loan dis-  
4 charges that were completed under  
5 this subsection.

6 “(ii) A summary of the reasons why  
7 the Secretary reinstated the obligation of,  
8 and resumed collection on, loans dis-  
9 charged under this subsection.

10 “(iii) The data described in subclauses  
11 (I) through (III) of clause (i), and clause  
12 (ii), for each of the following:

13 “(I) Borrowers applying for, and  
14 borrowers receiving, loan discharges  
15 under paragraph (2)(A).

16 “(II) Borrowers applying for, and  
17 borrowers receiving, loan discharges  
18 under paragraph (2)(B).

19 “(III) Borrowers applying for,  
20 and borrowers receiving, loan dis-  
21 charges under paragraph (3).

22 “(iv) Any other information the Sec-  
23 retary determines is necessary.

24 “(B) REPORT.—The Secretary shall annu-  
25 ally report to Congress, and make publicly

1           available, the information described in subpara-  
2           graph (A).”.

3       (b) REPORTS.—

4           (1) PLAN.—Not later than 90 days after the  
5       date of the enactment of this Act, the Secretary of  
6       Education shall submit to the appropriate commit-  
7       tees of Congress a report that includes a plan to  
8       carry out the activities described under section  
9       437(a)(2)(B)(iii) of the Higher Education Act of  
10      1965 (20 U.S.C. 1087(a)(2)(B)(iii)), as amended by  
11      this section.

12          (2) FOLLOW-UP REPORT.—If the Secretary of  
13      Education has not carried out the activities de-  
14      scribed under section 437(a)(2)(B)(iii) of the Higher  
15      Education Act of 1965, as amended by this section,  
16      by the date that is 1 year after the date of enact-  
17      ment of this Act, the Secretary of Education shall  
18      submit to the appropriate committees of Congress,  
19      by such date, a report that includes an explanation  
20      of why those activities have not been implemented.

21 **SEC. 431. TREATMENT OF BORROWERS FALSELY CER-**  
22 **TIFIED AS ELIGIBLE TO BORROW DUE TO**  
23 **IDENTITY THEFT.**

24      Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is amended  
25      by striking “of a crime”.

1     **PART C—FEDERAL WORK-STUDY PROGRAMS**

2     **SEC. 441. AUTHORIZATION OF APPROPRIATIONS.**

3         Section 441(b) (42 U.S.C. 2751(b)) is amended by  
4     striking “2009” and inserting “2015”.

5     **SEC. 442. FEDERAL WORK STUDY ALLOCATION OF FUNDS.**

6         Section 442 (42 U.S.C. 2752) is amended—

7             (1) by striking subsection (a) and inserting the  
8     following:

9         “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
10     TION.—

11             “(1) IN GENERAL.—From the amount appro-  
12     priated pursuant to section 441(b), for each fiscal  
13     year, the Secretary shall allocate to each eligible in-  
14     stitution an amount equal to not less than 90 per-  
15     cent and not more than 110 percent of the amount  
16     that the eligible institution received under this sub-  
17     section and subsection (b) (as such subsections were  
18     in effect with respect to allocations for such fiscal  
19     year) for the previous fiscal year for which that in-  
20     stitution received funds under this section.

21             “(2) RATABLE REDUCTION.—If the amount ap-  
22     propriated for any fiscal year is less than the  
23     amount required to be allocated to all institutions  
24     under paragraph (1), then the amount of the alloca-  
25     tion to each such institution shall be ratably re-  
26     duced.

1           “(3) NO PREVIOUS ALLOCATION.—In the case  
2           of an institution that has not received a previous al-  
3           location under this section, the Secretary shall allo-  
4           cate funds under this section solely on the basis of  
5           the self-help need determination described under  
6           subsection (c).”; and

7           (2) in subsection (c)—

8                   (A) in paragraph (2), by striking “To de-  
9                   termine the self-help need of an institution’s eli-  
10                  gible undergraduate students,” and inserting  
11                  “Until such time as the Secretary establishes a  
12                  revised method to determine the self-help need  
13                  of an institution’s eligible undergraduate stu-  
14                  dents, in accordance with paragraph (5),”;

15                  (B) in paragraph (3), by striking “To de-  
16                  termine the self-help need of an institution’s eli-  
17                  gible graduate and professional students,” and  
18                  inserting “Until such time as the Secretary es-  
19                  tablishes a revised method to determine the  
20                  self-help need of an institution’s eligible grad-  
21                  uate and professional students, in accordance  
22                  with paragraph (5),”; and

23                  (C) by adding at the end the following:

24                  “(5) Not later than 1 year after the date of en-  
25                  actment of the Higher Education Affordability Act,

1       the Secretary shall establish revised methods for de-  
 2       termining the self-help need of an institution's eligi-  
 3       ble undergraduate students, as described in para-  
 4       graph (2), and eligible graduate and professional  
 5       students, as described in paragraph (3), which shall  
 6       take into account the number of low- and moderate-  
 7       income students that an eligible institution serves.  
 8       The Secretary shall promulgate any regulations nec-  
 9       essary to carry out the revised methods of deter-  
 10      mining an eligible institution's self-help need under  
 11      this subsection.”.

12   **SEC. 443. INSTITUTIONAL SHARE OF FEDERAL WORK**  
 13                   **STUDY FUNDS.**

14       Section 443(b)(5) (42 U.S.C. 2753(b)(5)) is amended  
 15   by striking “75 percent” and inserting “50 percent” each  
 16   place the term appears.

17   **SEC. 444. ADDITIONAL FUNDS TO CONDUCT COMMUNITY**  
 18                   **SERVICE WORK-STUDY PROGRAMS.**

19       Section 447(b)(4) (42 U.S.C. 2756a(b)(4)) is amend-  
 20   ed by striking “2009” and inserting “2015”.

21   **SEC. 445. WORK COLLEGES.**

22       Section 448(f) (42 U.S.C. 2756b(f)) is amended by  
 23   striking “2009” and inserting “2015”.

1       **PART D—FEDERAL DIRECT LOAN PROGRAM**

2       **SEC. 451. ELIMINATION OF ORIGINATION FEES AND OTHER**  
3                   **AMENDMENTS TO TERMS AND CONDITIONS**  
4                   **OF LOANS.**

5       (a) AMENDMENTS.—Section 455 (20 U.S.C. 1087e)  
6 is amended—

7           (1) by repealing subsection (c);

8           (2) in subsection (d)—

9               (A) in paragraph (1)(D), by inserting “or  
10           to any borrower who has not selected the in-  
11           come contingent repayment plan before the date  
12           that is 1 year after the date of enactment of the  
13           Higher Education Affordability Act” before the  
14           semicolon at the end; and

15            (B) in paragraph (5)—

16               (i) by striking subparagraph (A) and  
17           inserting the following:

18               “(A) pay collection costs in an amount  
19           that is reasonable and that does not exceed the  
20           bona fide collection costs associated with such  
21           student loan that are actually incurred in col-  
22           lecting the debt against the borrower; and”;  
23           and

24               (ii) in subparagraph (B), by striking  
25           “income contingent repayment plan” and

1           inserting “income-based repayment plan,  
2           as provided in 493C”;

3           (3) in subsection (e)—

4           (A) in paragraph (1), by striking “The  
5           Secretary may” and inserting “With respect to  
6           borrowers who have selected, or been required  
7           to use, an income contingent repayment plan  
8           before the date that is 1 year after the date of  
9           enactment of the Higher Education Afford-  
10          ability Act, the Secretary may”;

11          (B) in paragraph (3), by inserting “before  
12          the date that is 1 year after the date of enact-  
13          ment of the Higher Education Affordability  
14          Act” after “income contingent repayment”;

15          (C) by striking paragraph (6); and

16          (D) by redesignating paragraph (7) as  
17          paragraph (6);

18          (4) in subsection (f)(2)—

19          (A) in subparagraph (C), by striking “the  
20          borrower—” and all that follows through “de-  
21          scribed in clause (i) or (ii); or” and inserting  
22          “the borrower is performing eligible military  
23          service, and for the 180-day period following  
24          the demobilization date for such eligible mili-  
25          tary service;”;

1 (B) by redesignating subparagraph (D) as  
2 subparagraph (E); and

3 (C) by inserting after subparagraph (C)  
4 the following:

5 “(D) any period not in excess of 180 days  
6 after the effective movement date listed on the  
7 military orders of a borrower’s spouse if that  
8 spouse is a member of the Armed Forces who  
9 has received military orders for a permanent  
10 change of station; or”;

11 (5) by striking subsection (h) and inserting the  
12 following:

13 “(h) BORROWER CLAIMS AND DEFENSES.—

14 “(1) IN GENERAL.—Notwithstanding any other  
15 provision of State or Federal law, a borrower, re-  
16 gardless of the account status of the borrower’s loan,  
17 may assert as an affirmative claim or defense  
18 against repayment, any act or omission of an insti-  
19 tution of higher education attended by the borrower  
20 that would give rise to a cause of action against the  
21 institution under this Act, other Federal law, or ap-  
22 plicable State law, except that in no event may a  
23 borrower recover from the Secretary, in any action  
24 arising from or relating to a loan made under this

1 part, an amount in excess of the amount such bor-  
 2 rower has repaid on such loan.

3 “(2) EXERCISE BY SECRETARY.—The Secretary  
 4 may elect to carry out the authority under this sub-  
 5 section on behalf of a group of multiple borrowers  
 6 if the Secretary determines that the group has been  
 7 harmed by the same act, omission, or practice.”;

8 (6) in subsection (m)—

9 (A) by redesignating paragraphs (3) and  
 10 (4) as paragraphs (4) and (5), respectively; and

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

13 “(3) LUMP SUM PAYMENT.—For purposes of  
 14 this subsection, if a borrower has enrolled in a re-  
 15 payment plan described in paragraph (1)(A) and  
 16 makes a lump sum payment through a student loan  
 17 repayment program under section 2171 of title 10,  
 18 United States Code, or a similarly structured eligible  
 19 repayment program (as determined by the Sec-  
 20 retary), the Secretary will treat the borrower as hav-  
 21 ing made a number of qualifying payments equal to  
 22 the lesser of—

23 “(A) the number, rounded to the nearest  
 24 whole number, equal to the quotient of—

1 “(i) such lump sum payment; divided  
2 by

3 “(ii) the monthly payment amount  
4 that the borrower would have otherwise  
5 made under the repayment plan described  
6 in paragraph (1)(A) selected by the bor-  
7 rower; or

8 “(B) 12 payments.”; and

9 (7) in subsection (o)—

10 (A) by striking paragraph (1) and insert-  
11 ing the following:

12 “(1) IN GENERAL.—Notwithstanding any other  
13 provision of this part and in accordance with para-  
14 graphs (2) and (4), the Secretary shall not charge  
15 interest on a loan made to a borrower under this  
16 part for which the first disbursement is made on or  
17 after October 1, 2008, during the period in which a  
18 borrower who is performing eligible military service  
19 is serving in an area of hostilities in which service  
20 qualifies for special pay under section 310 of title  
21 37, United States Code.”;

22 (B) by striking paragraph (3) and insert-  
23 ing the following:

1           “(3) IMPLEMENTATION OF ACCRUAL OF INTER-  
2           EST PROVISION FOR MEMBERS OF THE ARMED  
3           FORCES.—

4           “(A) IN GENERAL.—The Secretary of Edu-  
5           cation shall enter into any necessary agree-  
6           ments, including agreements with the Commis-  
7           sioner of the Internal Revenue Service and the  
8           Secretary of Defense—

9           “(i) to ensure that interest does not  
10          accrue for eligible military borrowers, in  
11          accordance with this subsection; and

12          “(ii) to obtain or provide any informa-  
13          tion necessary to implement clause (i)  
14          without requiring a request from the bor-  
15          rower.

16          “(B) REPORTS.—

17          “(i) PLAN.—Not later than 90 days  
18          after the date of enactment of the Higher  
19          Education Affordability Act, the Secretary  
20          shall submit to the appropriate committees  
21          of Congress a report that includes a plan  
22          to implement the accrual of interest provi-  
23          sion described in subparagraph (A).

24          “(ii) FOLLOW-UP REPORT.—If the  
25          Secretary has not implemented the accrual

of interest provision described in subparagraph (A) by the date that is 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary shall submit, by such date, a report that includes an explanation of why such provision has not been implemented.”; and

(C) in paragraph (4), by striking “who qualifies as an eligible military borrower under this subsection” and inserting “described in paragraph (1)”.

(b) EFFECTIVE DATES.—

(1) REPEAL OF LOAN FEES.—The amendment made by subsection (a)(1) shall apply with respect to loans made under part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) for which the first disbursement of principal is made, or, in the case of a Federal Direct Consolidation Loan made under such part, the application is received, on or after July 1, 2014.

(2) TERMINATING INCOME CONTINGENT REPAYMENT.—The amendments made by subparagraphs (A) and (B)(ii) of paragraph (2), and paragraph (3), of subsection (a) shall take effect on the date that is 1 year after the date of enactment of this Act.

1 **SEC. 452. IMPROVED STUDENT LOAN SERVICING AND DEBT**  
2 **COLLECTION PRACTICES.**

3 (a) AMENDMENTS.—Section 456 (20 U.S.C. 1087f)  
4 is amended by adding at the end the following:

5 “(c) LIMITATION ON CONTRACTS FOR THE SERV-  
6 ICING OF LOANS.—

7 “(1) IN GENERAL.—A contract entered into  
8 under this section for the servicing of loans made or  
9 purchased under this part shall include—

10 “(A) a provision that prohibits the servicer  
11 from marketing to a borrower of a loan which  
12 the servicer services, a financial product or  
13 service while the borrower is enrolled in an in-  
14 stitution of higher education;

15 “(B) a provision that, after the borrower is  
16 no longer enrolled in an institution of higher  
17 education, the servicer may only market a fi-  
18 nancial product or service to the borrower  
19 through an opt-in rather than an opt-out sys-  
20 tem; and

21 “(C) a provision that, to the extent prac-  
22 ticable, the servicer shall clearly disclose in any  
23 written material or correspondence sent or  
24 made available to the borrower (including cor-  
25 respondence and disclosures on the website of  
26 the servicer) that the material or correspond-

1           ence is in relation to a Department of Edu-  
2           cation loan.

3           “(2)       No       PREDISPUTE       ARBITRATION  
4       CLAUSES.—A contract entered into under this sec-  
5       tion for the servicing of loans made or purchased  
6       under this part shall include a provision that any  
7       rights and remedies available to borrowers against  
8       the servicer may not be waived by any agreement,  
9       policy, or form, including by a predispute arbitration  
10      agreement.

11      “(d) STUDY OF DIRECT LOAN DEBT COLLECTION.—

12           “(1) IN GENERAL.—The Secretary shall con-  
13      duct a study to determine whether it is efficient and  
14      effective to contract with private entities under this  
15      section for the collection of loans made or purchased  
16      under this part that are in default.

17           “(2) EVALUATION METHOD.—For purposes of  
18      the study described in paragraph (1), the Secretary  
19      shall evaluate efficiency and effectiveness in terms  
20      of—

21           “(A) the cost incurred by the Federal Gov-  
22      ernment for the collections of defaulted loans  
23      under this part through contracts under this  
24      section, and such cost in comparison with the  
25      costs of other methods by which debt owed to

1 the Federal Government are collected or recov-  
2 ered, including the collection of any unpaid  
3 Federal income taxes;

4 “(B) the consumer protections provided to  
5 the borrower who has defaulted on a loan under  
6 this part through the collections process;

7 “(C) the impact of the collections process  
8 for defaulted loans under this part on the integ-  
9 rity of the loan program carried out under this  
10 part; and

11 “(D) borrower experience, as determined  
12 through borrower surveys.

13 “(3) RECOVERY COSTS.—

14 “(A) IN GENERAL.—As part of the study  
15 conducted under this subsection, the Secretary  
16 shall calculate the average recovery cost, per  
17 dollar recovered, through the collection of de-  
18 faulted loans made under this part, in the ag-  
19 gregate for all borrowers of defaulted loans and  
20 disaggregated for the following categories of  
21 borrowers of defaulted loans:

22 “(i) Veterans with a service-connected  
23 disability (as defined in section 101 of title  
24 38, United States Code).

1 “(ii) Individuals who are entitled to  
2 benefits under section 223 of the Social  
3 Security Act (42 U.S.C. 423).

4 “(iii) Individuals who are allowed an  
5 earned income tax credit pursuant to sec-  
6 tion 32 of the Internal Revenue Code of  
7 1986.

8 “(iv) Recipients of assistance under  
9 the supplemental nutrition assistance pro-  
10 gram established under the Food and Nu-  
11 trition Act of 2008 (7 U.S.C. 2011 et  
12 seq.).

13 “(B) CONSULTATION.—The Secretary  
14 shall consult with the Secretary of the Treas-  
15 ury, the Administrator of the Social Security  
16 Administration, the Secretary of Veterans Af-  
17 fairs, and the Secretary of Agriculture, as ap-  
18 propriate, in order to identify individuals in the  
19 categories described in clauses (i) through (iv)  
20 of subparagraph (A) and to calculate the aver-  
21 age recovery cost per dollar recovered for each  
22 category of borrowers.

23 “(4) ADDITIONAL INFORMATION REGARDING  
24 COSTS.—The Secretary may directly carry out collec-  
25 tion activities for a subset of defaulted loans under

1       this part, instead of awarding contracts under sub-  
 2       section (b)(2) for such activities, if the Secretary de-  
 3       termines it would better inform the study required  
 4       under paragraph (1).

5               “(5) REPORT.—By not later than the date that  
 6       is 1 year after the date of enactment of the Higher  
 7       Education Affordability Act, the Secretary shall pre-  
 8       pare and submit to the authorizing committees a re-  
 9       port that includes the findings of the study con-  
 10      ducted under paragraph (1).

11      “(e) CERTIFICATION NECESSARY FOR CONTINUED  
 12   PRIVATE DEBT COLLECTIONS.—

13              “(1) CERTIFICATION.—Not later than 1 year  
 14      after the date of enactment of the Higher Education  
 15      Affordability Act, the Secretary shall submit to the  
 16      authorizing committees, and make available to the  
 17      public—

18                      “(A) a certification that the Secretary has  
 19              determined, based on the results of the study  
 20              conducted under subsection (d), that—

21                              “(i) the use of private entities for the  
 22                              collection of defaulted loans made or pur-  
 23                              chased under this part is necessary to  
 24                              maintain the integrity of the loan program  
 25                              carried out under this part;

1 “(ii) the collection costs paid to such  
 2 private entities under the contracts author-  
 3 ized by this section, in the aggregate and  
 4 for each category of borrowers described in  
 5 subsection (d)(3)(A), are reasonable; and

6 “(iii) expending funds for such collec-  
 7 tion costs is in the best financial interest  
 8 of the United States; or

9 “(B) a notification that the Secretary will  
 10 not issue the certification described in subpara-  
 11 graph (A).

12 “(2) PROHIBITION OF CONTRACTS FOR PRIVATE  
 13 DEBT COLLECTIONS WITHOUT CERTIFICATION.—  
 14 Notwithstanding subsection (b)(2), beginning on the  
 15 date that is 1 year after the date of enactment of  
 16 the Higher Education Affordability Act, the Sec-  
 17 retary shall not enter into any contract with a pri-  
 18 vate entity under this section for the collection of de-  
 19 faulted loans made or purchased under this part if  
 20 the Secretary did not issue the certification de-  
 21 scribed in paragraph (1)(A) by such date.

22 “(f) TERMINATION OF CONTRACTS.—

23 “(1) TERMINATION.—The Secretary shall ter-  
 24 minate any contract with an entity for the collection  
 25 of defaulted loans made or purchased under this

1 part if the entity, an affiliate of that entity, or a  
2 service provider of the entity is found to have com-  
3 mitted a violation of—

4 “(A) the prohibition on unfair, deceptive,  
5 or abusive acts or practices under section 1031  
6 of the Consumer Financial Protection Act of  
7 2010 (12 U.S.C. 5531), including the regula-  
8 tions promulgated under such section, relating  
9 to the services performed pursuant to a con-  
10 tract under this section; or

11 “(B) the Fair Debt Collection Practices  
12 Act (15 U.S.C. 1692 et seq.), including the reg-  
13 ulations promulgated under such Act, relating  
14 to the services performed pursuant to a con-  
15 tract under this section.

16 “(2) PROHIBITION ON ADDITIONAL CON-  
17 TRACTS.—If the Secretary terminates a contract  
18 with an entity under paragraph (1), such entity—

19 “(A) shall not be eligible to participate in  
20 the next award cycle for contracts relating to  
21 the collection of defaulted loans made or pur-  
22 chased under this part that follows the date of  
23 termination of the contract; and

24 “(B) shall not be eligible to receive any  
25 new contract relating to the collection of such

1 defaulted loans during the 2-year period begin-  
 2 ning on the date of termination.

3 “(3) IDENTIFICATION OF OTHER VIOLA-  
 4 TIONS.—

5 “(A) IN GENERAL.—In any case where the  
 6 Secretary obtains evidence that any person or  
 7 entity has engaged in debt collection practices  
 8 described in paragraph (1) that may constitute  
 9 a violation of Federal law, the Secretary shall  
 10 transmit such evidence to the Director of the  
 11 Bureau of Consumer Financial Protection for  
 12 further proceedings under the appropriate law.

13 “(B) RULE OF CONSTRUCTION.—Nothing  
 14 in this paragraph shall be construed to affect  
 15 any other authority provided to the Secretary to  
 16 disclose information to a Federal agency.”.

17 (b) STUDY AND REPORT ON SPECIALTY SERVICING  
 18 CONTRACTS.—

19 (1) IN GENERAL.—The Secretary of Education,  
 20 in consultation with the Director of the Bureau of  
 21 Consumer Financial Protection and the Secretary of  
 22 the Treasury, shall—

23 (A) conduct a study as to whether spe-  
 24 cialty servicing contracts in the Federal Direct  
 25 Loan Program under part D of title IV of the

1 Higher Education Act of 1965 (20 U.S.C.  
2 1087a et seq.) could better serve varying seg-  
3 ments of student loan borrowers, and, in par-  
4 ticular, the unique needs of borrowers in delin-  
5 quency or experiencing partial financial hard-  
6 ship and the allocation of servicer resources to  
7 assist such borrower segment; and

8 (B) not later than 180 days after the date  
9 of enactment of this Act, submit a report to the  
10 Committee on Health, Education, Labor, and  
11 Pensions and the Committee on Banking,  
12 Housing, and Urban Affairs of the Senate, and  
13 the Committee on Education and the Workforce  
14 and the Committee on Financial Services of the  
15 House of Representatives, on the study de-  
16 scribed in subparagraph (A).

17 (2) SPECIALTY SERVICING CONTRACT.—In this  
18 subsection, the term “specialty servicing contract”  
19 means a contract—

20 (A) entered into pursuant to section 456 of  
21 the Higher Education Act of 1965 (20 U.S.C.  
22 1087f) for the servicing of loans made or pur-  
23 chased under part D of title IV of such Act (20  
24 U.S.C. 1087a et seq.) that provides for serv-

1           icing loans for a distinct and specified subset of  
2           borrowers; and

3                   (B) that may be compensated at a greater  
4           level for such services, as determined appro-  
5           priate by the Secretary of Education.

6       (c) REPORT ON SERVICER COMPENSATION.—

7           (1) IN GENERAL.—The Secretary of Education,  
8       in consultation with the Director of the Bureau of  
9       Consumer Financial Protection and the Secretary of  
10      the Treasury, shall conduct a report—

11                   (A) on the compensation and incentive  
12      structure for servicers of loans made, insured,  
13      or guaranteed under title IV of the Higher  
14      Education Act of 1965 (20 U.S.C. 1070 et  
15      seq.) and whether servicers adequately encour-  
16      age repayment, as well as the use of alternative  
17      repayment options and discharge where appro-  
18      priate; and

19                   (B) that includes an analysis of the criteria  
20      utilized by the Department of Education in de-  
21      termining performance-based allocation of ac-  
22      count volume in entering into contracts for  
23      servicing of loans made or purchased under  
24      part D of title IV of the Higher Education Act  
25      of 1965 (20 U.S.C. 1087a et seq.), and the ef-

1           fectiveness of those metrics in promoting repay-  
2           ment.

3           (2) COMMENTS FROM THE PUBLIC.—In con-  
4           ducting the report under paragraph (1), the Sec-  
5           retary of Education, in consultation with the Direc-  
6           tor of the Bureau of Consumer Financial Protection  
7           and the Secretary of the Treasury, shall seek and  
8           take comments from the public.

9           (3) PROCEDURES TO IMPLEMENT REC-  
10          COMMENDATIONS.—If the report conducted under  
11          paragraph (1) includes recommendations on meas-  
12          ures to improve the incentive structure, the report  
13          shall also include the procedures to implement such  
14          recommendations.

15          (4) PUBLICATION.—The report conducted  
16          under paragraph (1) shall be published not later  
17          than 180 days after the date of enactment of this  
18          Act.

19          (d) REPORT AND PLAN ON FFEL SERVICING.—

20               (1) IN GENERAL.—Not later than 180 days  
21               after the date of enactment of this Act, the Sec-  
22               retary of Education, in consultation with the Direc-  
23               tor of the Bureau of Consumer Financial Protection  
24               and the Secretary of the Treasury, shall publish a  
25               report that identifies whether the public has ade-

1       quate visibility into the market of loan servicing  
2       under part B of title IV of the Higher Education  
3       Act of 1965 (20 U.S.C. 1071 et seq.) to adequately  
4       assess the performance of such servicing under such  
5       part, including—

6               (A) the utilization of alternative repayment  
7       plans;

8               (B) the distribution of delinquent and de-  
9       faulted loan balances; and

10              (C) loan performance by institution type.

11       (2) PLAN.—If the Secretary of Education, in  
12       consultation with the Director of the Bureau of Con-  
13       sumer Financial Protection and the Secretary of the  
14       Treasury, determines that the public does not have  
15       enough visibility into the market of loan servicing, as  
16       described in paragraph (1), the Secretary of Edu-  
17       cation, in consultation with the Director of the Bu-  
18       reau of Consumer Financial Protection and the Sec-  
19       retary of the Treasury, shall establish a plan to dis-  
20       close such information necessary to provide for such  
21       visibility.

22       (e) REPORT ON SERVICING CHALLENGES.—The Sec-  
23       retary of Education shall periodically issue a report, at  
24       times determined appropriate by the Secretary, about the  
25       challenges borrowers face in the servicing of their student

1 loans, impediments to the efficient and effective servicing  
 2 of loans under title IV of the Higher Education Act of  
 3 1965 (20 U.S.C. 1070 et seq.), and any changes, including  
 4 protections for consumers, that should be considered to  
 5 improve postsecondary education loan servicing for all bor-  
 6 rowers, servicers, taxpayers, and the Department of Edu-  
 7 cation.

8 **SEC. 453. FUNDS FOR ADMINISTRATIVE EXPENSES.**

9 Section 458(a) (20 U.S.C. 1087h(a)) is amended—

10 (1) in paragraph (3)—

11 (A) in the paragraph heading, by striking  
 12 “2007 THROUGH 2014” and inserting “2015  
 13 THROUGH 2020”; and

14 (B) by striking “2007 through 2014” and  
 15 inserting “2015 through 2020”;

16 (2) in paragraph (4), by striking “2007  
 17 through 2014” and inserting “2015 through 2020”;  
 18 and

19 (3) in paragraph (5), by striking “paragraph  
 20 (3)” and inserting “paragraph (4)”.

21 **SEC. 454. FEDERAL DIRECT LOAN FORGIVENESS FOR CER-**  
 22 **TAIN AMERICAN INDIAN EDUCATORS.**

23 Section 460(c) (20 U.S.C. 1087j(c)) is amended by  
 24 adding at the end the following:

1           “(4) AMERICAN INDIAN TEACHERS IN LOCAL  
 2           EDUCATIONAL AGENCIES WITH A HIGH PERCENTAGE  
 3           OF AMERICAN INDIAN STUDENTS.—Notwithstanding  
 4           the amount specified in paragraph (1) and the re-  
 5           quirements under subparagraphs (A) and (B) of  
 6           subsection (b)(1), the aggregate amount that the  
 7           Secretary shall cancel under this section shall be not  
 8           more than \$17,500 in the case of a borrower who—

9                   “(A) has been employed as a full-time  
 10           teacher for 5 consecutive complete school years  
 11           in a local educational agency described in sec-  
 12           tion 7112(b) of the Elementary and Secondary  
 13           Education Act of 1965 or in a school operated  
 14           or funded by the Bureau of Indian Education;  
 15           and

16                   “(B) is a member of an Indian tribe (as  
 17           defined in section 4 of the Indian Self-Deter-  
 18           mination and Education Assistance Act (25  
 19           U.S.C. 450b)).”.

## 20           **PART E—FEDERAL PERKINS LOANS**

### 21   **SEC. 461. APPROPRIATIONS AUTHORIZED.**

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

23                   (1)   in   paragraph   (1),   by   striking  
 24           “\$300,000,000” and all that follows through the pe-  
 25           riod at the end and by inserting “such sums as may

1 be necessary for fiscal year 2015 and each of the  
 2 five succeeding fiscal years.”; and

3 (2) in paragraph (2), by striking “2015” each  
 4 place the term appears and inserting “2021”.

5 **SEC. 462. PERKINS ALLOCATION OF FUNDS.**

6 Section 462 (20 U.S.C. 1087bb) is amended—

7 (1) by striking subsection (a) and inserting the  
 8 following:

9 “(a) ALLOCATION BASED ON PREVIOUS ALLOCA-  
 10 TION.—

11 “(1) IN GENERAL.—From the amount appro-  
 12 priated pursuant to section 461(b), for each fiscal  
 13 year, the Secretary shall allocate to each eligible in-  
 14 stitution an amount equal to not less than 90 per-  
 15 cent and not more than 110 percent of the amount  
 16 that the eligible institution received under this sub-  
 17 section and subsection (b) (as such subsections were  
 18 in effect with respect to allocations for such fiscal  
 19 year) for the previous fiscal year for which that in-  
 20 stitution received funds under this section.

21 “(2) RATABLE REDUCTION.—If the amount ap-  
 22 propriated for any fiscal year is less than the  
 23 amount required to be allocated to all institutions  
 24 under paragraph (1), then the amount of the alloca-

1       tion to each such institution shall be ratably re-  
2       duced.

3           “(3) NO PREVIOUS ALLOCATION.—In the case  
4       of an institution that has not received a previous al-  
5       location under this section, the Secretary shall allo-  
6       cate funds under this section solely on the basis of  
7       the self-help need determination described under  
8       subsection (c).”; and

9           (2) in subsection (c)—

10           (A) in paragraph (2), by striking “To de-  
11       termine the self-help need of an institution’s eli-  
12       gible undergraduate students,” and inserting  
13       “Until such time as the Secretary establishes a  
14       revised method to determine the self-help need  
15       of an institution’s eligible undergraduate stu-  
16       dents, in accordance with paragraph (5),”;

17           (B) in paragraph (3), by striking “To de-  
18       termine the self-help need of an institution’s eli-  
19       gible graduate and professional students,” and  
20       inserting “Until such time as the Secretary es-  
21       tablishes a revised method to determine the  
22       self-help need of an institution’s eligible grad-  
23       uate and professional students, in accordance  
24       with paragraph (5),”;

25           (C) by adding at the end the following:

1           “(5) Not later than 1 year after the date of en-  
 2           actment of the Higher Education Affordability Act,  
 3           the Secretary shall establish revised methods for de-  
 4           termining the self-help need of an institution’s eligi-  
 5           ble undergraduate students, as described in para-  
 6           graph (2), and eligible graduate and professional  
 7           students, as described in paragraph (3), which shall  
 8           take into account the number of low- and moderate-  
 9           income students that an eligible institution serves.  
 10          The Secretary shall promulgate any regulations nec-  
 11          essary to carry out the revised methods of deter-  
 12          mining an eligible institution’s self-help need under  
 13          this subsection.”.

14 **SEC. 463. INSTITUTIONAL CONTRIBUTIONS FOR PERKINS.**

15          Section 463(a)(2)(B) (20 U.S.C. 1087cc(a)(2)(B)) is  
 16          amended by striking “one-third of the Federal capital con-  
 17          tributions” and inserting “50 percent of the Federal cap-  
 18          ital contributions”.

19 **SEC. 464. SIMPLIFICATION OF MILITARY DEFERMENT ELI-**  
 20 **GIBILITY.**

21          Section 464(c)(2)(A) (20 U.S.C. 1087dd(c)(2)(A)) is  
 22          amended—

23               (1) by redesignating clauses (iv) and (v) as  
 24          clauses (v) and (vi), respectively;

1           (2) in clause (iii), by striking “the borrower—  
 2           ” and all that follows through “described in sub-  
 3           clause (I) or (II);” and inserting “during which the  
 4           borrower is performing eligible military service, and  
 5           for the 180-day period following the demobilization  
 6           date for such eligible military service;”; and

7           (3) by inserting after clause (iii) the following:

8                   “(iv) not in excess of 180 days after the ef-  
 9                   fective movement date listed on the military or-  
 10                  ders of a borrower’s spouse if that spouse is a  
 11                  member of the Armed Forces who has received  
 12                  military orders for a permanent change of sta-  
 13                  tion; or”.

14 **SEC. 465. FORGIVENESS OF LOANS FOR ELIGIBLE MILI-**  
 15 **TARY SERVICE.**

16           Section 465(a)(2)(D) (20 U.S.C. 1087ee(a)(2)(D)) is  
 17 amended by striking “qualifies for special pay under sec-  
 18 tion 310 of title 37, United States Code, as an area of  
 19 hostilities” and inserting “is eligible military service”.

20 **SEC. 466. DISTRIBUTION OF ASSETS FROM STUDENT LOAN**  
 21 **FUNDS.**

22           Section 466(b) (20 U.S.C. 1087ff(b)) is amended by  
 23 striking “October 1, 2012” and inserting “October 1,  
 24 2021”.

**PART F—NEED ANALYSIS**

**SEC. 471. INCREASED INCOME PROTECTION ALLOWANCE  
FOR DEPENDENT STUDENTS.**

(a) AMENDMENT.—Section 475(g)(2)(D) (20 U.S.C. 1087oo(g)(2)(D)) is amended to read as follows:

“(D) an income protection allowance (or a successor amount prescribed by the Secretary under section 478) of \$8,451 for academic year 2015–2016;”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on July 1, 2015.

**SEC. 472. INCREASED INCOME PROTECTION ALLOWANCE  
FOR INDEPENDENT STUDENTS WITHOUT DE-  
PENDENTS OTHER THAN A SPOUSE.**

(a) AMENDMENT.—Section 476(b)(1)(A)(iv) (20 U.S.C. 1087pp(b)(1)(A)(iv)) is amended to read as follows:

“(iv) an income protection allowance (or a successor amount prescribed by the Secretary under section 478)—

“(I) for single or separated students, or married students where both are enrolled pursuant to subsection (a)(2), of \$13,135 for academic year 2015–2016; and

1 “(II) for married students where  
 2 1 is enrolled pursuant to subsection  
 3 (a)(2), of \$21,060 for academic year  
 4 2015–2016;”.

5 (b) EFFECTIVE DATE.—The amendment made by  
 6 subsection (a) shall take effect on July 1, 2015.

7 **SEC. 473. INCREASED INCOME PROTECTION ALLOWANCE**  
 8 **FOR INDEPENDENT STUDENTS WITH DE-**  
 9 **PENDENTS OTHER THAN A SPOUSE.**

10 (a) AMENDMENT.—Section 477(b)(4) of the Higher  
 11 Education Act of 1965 (20 U.S.C. 1087qq(b)(4)) is  
 12 amended to read as follows:

13 “(4) INCOME PROTECTION ALLOWANCE.—The  
 14 income protection allowance is determined by the fol-  
 15 lowing table (or a successor table prescribed by the  
 16 Secretary under section 478), for academic year  
 17 2015–2016:

“Income Protection Allowance						
Family Size  (including student)	Number in College					For each additional subtract:
	1	2	3	4	5	
2	\$33,277	\$27,580				\$4,250
3	41,431	35,761	\$30,078			
4	51,151	45,481	39,825	\$34,114		
5	60,358	54,661	49,005	43,321	\$37,665	
6	70,591	64,908	59,265	53,554	47,898	
For each additional add:	6,000					”.

18 (b) EFFECTIVE DATE.—The amendment made by  
 19 this section shall take effect on July 1, 2015.

1 **SEC. 474. UPDATED TABLES AND AMOUNTS FOR INCOME**  
2 **PROTECTION ALLOWANCE.**

3 (a) AMENDMENTS.—Section 478(b) of the Higher  
4 Education Act of 1965 (20 U.S.C. 1087rr(b)) is amend-  
5 ed—

6 (1) in paragraph (1), by striking subparagraphs  
7 (A) and (B) and inserting the following:

8 “(A) IN GENERAL.—For each academic  
9 year after academic year 2015–2016, the Sec-  
10 retary shall publish in the Federal Register a  
11 revised table of income protection allowances  
12 for the purpose of sections 475(c)(4) and  
13 477(b)(4), subject to subparagraphs (B) and  
14 (C).

15 “(B) TABLE FOR INDEPENDENT STU-  
16 DENTS.—For each academic year after aca-  
17 demic year 2015–2016, the Secretary shall de-  
18 velop the revised table of income protection al-  
19 lowances by increasing each of the dollar  
20 amounts contained in the table of income pro-  
21 tection allowances under section 477(b)(4)(D)  
22 by a percentage equal to the estimated percent-  
23 age increase in the Consumer Price Index (as  
24 determined by the Secretary) between Decem-  
25 ber 2014 and the December next preceding the

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on July 1, 2015.

18 Section 480 (20 U.S.C. 1087) is amended—

“(B) Notwithstanding section 478(a) and beginning not later than 180 days after the date of enactment of the Higher Education Affordability Act, the Secretary shall provide for the use of data from the second preceding tax year when and to the extent necessary to carry out

1 the simplification of applications (including simplification  
 2 for a subset of applications) used for the estimation and  
 3 determination of financial aid eligibility. Such simplifica-  
 4 tion shall include the sharing of data between the Internal  
 5 Revenue Service and the Department, pursuant to the  
 6 consent of the taxpayer.”;

7 (2) in subsection (d)—

8 (A) in paragraph (1)(H)—

9 (i) in the matter preceding clause (i),  
 10 by striking “during the school year in  
 11 which the application is submitted as ei-  
 12 ther an unaccompanied youth” and insert-  
 13 ing “as either an unaccompanied youth age  
 14 23 or younger who is”;

15 (ii) in clause (i), by inserting “, or a  
 16 designee of the liaison” after “Act”; and

17 (iii) in clause (ii), by striking “a pro-  
 18 gram funded under the Runaway and  
 19 Homeless Youth Act” and inserting “an  
 20 emergency or transitional shelter, street  
 21 outreach program, homeless youth drop-in  
 22 center, or other program serving homeless  
 23 youth,”; and

24 (B) by adding at the end the following:

1           “(3) SIMPLIFYING THE DETERMINATION PROC-  
2           ESS FOR UNACCOMPANIED YOUTH.—

3           “(A) VERIFICATION.—A financial aid ad-  
4           ministrator is not required to verify homeless-  
5           ness determinations made by the individuals au-  
6           thorized to make such determinations under  
7           clause (i), (ii), or (iii) of paragraph (1)(H) in  
8           the absence of conflicting information. A docu-  
9           mented phone call with, or a written statement  
10          from, one of the authorized individuals is suffi-  
11          cient verification when needed.

12          “(B) DETERMINATION OF INDEPEND-  
13          ENCE.—A financial aid administrator shall con-  
14          duct the verification under paragraph (1)(H) if  
15          a student does not have, and cannot get, docu-  
16          mentation from any of the individuals author-  
17          ized to make such determinations under clause  
18          (i), (ii), or (iii) of paragraph (1)(H). The finan-  
19          cial aid administrator shall make the deter-  
20          mination of independence based on the deter-  
21          mination of a student as an unaccompanied  
22          youth who is a homeless child or youth (as such  
23          terms are defined in section 725 of the McKin-  
24          ney-Vento Homeless Assistance Act), or as un-

1 accompanied, at risk of homelessness, and self-  
2 supporting, which—

3 “(i) shall be distinct from a deter-  
4 mination of independence described under  
5 paragraph (1)(I); and

6 “(ii) may be based on a documented  
7 interview with the student if there is no  
8 written documentation available.

9 “(C) DURATION OF DETERMINATION.—A  
10 student shall receive a determination under  
11 paragraph (1)(H) during the school year in  
12 which the student initially submits the applica-  
13 tion. If a student is determined to be inde-  
14 pendent under paragraph (1)(H), the student  
15 shall be presumed to be independent in subse-  
16 quent years unless—

17 “(i) the student informs the financial  
18 aid office that circumstances have changed;  
19 or

20 “(ii) the financial aid administrator  
21 has specific conflicting information about  
22 the student’s independence.”; and

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

1           “(5) payments made and services provided  
 2           under part E of title IV of the Social Security Act,  
 3           including the value of vouchers for education and  
 4           training made available under section 477 of such  
 5           Act, and any payments made directly to youth as  
 6           part of an extended foster care program pursuant to  
 7           such part E; and”.

## 8           **PART G—GENERAL PROVISIONS**

### 9   **SEC. 481. DEFINITIONS.**

10          Section 481 (20 U.S.C. 1088) is amended—

11           (1) by striking subsection (d);

12           (2) in the subsection heading of subsection (f),  
 13          by striking “DEFINITION OF”;

14           (3) by redesignating subsections (b), (c), (e),  
 15          and (f) as subsections (f), (m), (c), and (d), respec-  
 16          tively, and transferring such subsections to be in al-  
 17          phabetical order based on subsection designation;

18           (4) by inserting after subsection (a) the fol-  
 19          lowing:

20          “(b) COMMISSION, BONUS, OR OTHER INCENTIVE  
 21          PAYMENT.—For purposes of this title, the term ‘commis-  
 22          sion, bonus, or other incentive payment’ means a sum of  
 23          money or something of value, other than a fixed salary  
 24          or wages, paid to or given to a person or an entity for  
 25          services rendered.”;

1           (5) by inserting after subsection (d), as redesign-  
2           nated and transferred by paragraph (3), the fol-  
3           lowing:

4           “(e) ELIGIBLE MILITARY SERVICE.—

5           “(1) IN GENERAL.—The term ‘eligible military  
6           service’—

7           “(A) in the case of a member of a regular  
8           component of the Armed Forces, means full-  
9           time duty in the Armed Forces, other than ac-  
10          tive duty for training (as defined in section 101  
11          of title 38, United States Code) of 30 days or  
12          less;

13          “(B) in the case of a member of the re-  
14          serve components of the Armed Forces, means  
15          service on active duty under a call or order to  
16          active duty under—

17                  “(i) section 688, 12302, 12304, or  
18                  12322 of title 10, United States Code;

19                  “(ii) subsection (a), (d), or (g) of sec-  
20                  tion 12301 of title 10, United States Code;  
21                  or

22                  “(iii) section 712 of title 14, United  
23                  States Code;

24                  “(C) in the case of a member of the Army  
25          National Guard of the United States or Air Na-

1           tional Guard of the United States, means, in  
 2           addition to service described in subparagraph  
 3           (B), full-time service—

4                   “(i) in the National Guard of a State  
 5                   for the purpose of organizing, admin-  
 6                   istering, recruiting, instructing, or training  
 7                   the National Guard; or

8                   “(ii) in the National Guard under sec-  
 9                   tion 502(f) of title 32, United States Code,  
 10                  when authorized by the President or the  
 11                  Secretary of Defense for the purpose of re-  
 12                  sponding to a national emergency declared  
 13                  by the President and supported by Federal  
 14                  funds; and

15                  “(D) in the case of a servicemember who  
 16                  is a commissioned officer of the Public Health  
 17                  Service or the National Oceanic and Atmos-  
 18                  pheric Administration, active service.

19                  “(2) EXCLUSIONS.—The term ‘eligible military  
 20                  service’ does not include any period during which an  
 21                  individual—

22                   “(A) was assigned full-time by the Armed  
 23                   Forces to a civilian institution for a course of  
 24                   education that was substantially the same as  
 25                   established courses offered to civilians;

1           “(B) serves as a cadet or midshipman at  
 2           one of the military service academies of the  
 3           United States; or

4           “(C) serves under the provisions of section  
 5           12103(d) of title 10, United States Code, pur-  
 6           suant to an enlistment in the Army National  
 7           Guard or the Air National Guard, or as a Re-  
 8           serve for service in the Army Reserve, Navy Re-  
 9           serve, Air Force Reserve, Marine Corps Re-  
 10          serve, or Coast Guard Reserve.”;

11          (6) by inserting after subsection (f), as redesign-  
 12          nated and transferred by paragraph (3), the fol-  
 13          lowing:

14          “(g) INSTITUTION AFFILIATE.—For purposes of this  
 15          title, the term ‘institution affiliate’ means any person or  
 16          entity that controls, is controlled by, or is under common  
 17          control with, an institution of higher education.

18          “(h) MILITARY ORDERS.—For purposes of this title,  
 19          the term ‘military orders’, when used with respect to a  
 20          member of the Armed Forces, means official military or-  
 21          ders, or any notification, certification, or verification from  
 22          the member’s commanding officer, with respect to the  
 23          member’s current or future military duty status.

24          “(i) REVENUE-SHARING ARRANGEMENT.—For pur-  
 25          poses of this title, the term ‘revenue-sharing arrangement’

1 means an arrangement between an institution of higher  
2 education and third party under which—

3 “(1) the third party provides, exclusively or  
4 nonexclusively, educational products or services to  
5 prospective students or students attending the insti-  
6 tution of higher education; and

7 “(2) the third party or institution of higher  
8 education pays a fee or provides other material bene-  
9 fits, including revenue- or profit-sharing, to the in-  
10 stitution of higher education or third party in con-  
11 nection with the educational products or services  
12 provided to prospective students or students attend-  
13 ing the institution of higher education.

14 “(j) SECURING ENROLLMENTS OR SECURING OR  
15 AWARDING FINANCIAL AID.—

16 “(1) IN GENERAL.—For purposes of this title,  
17 the term ‘securing enrollments or securing or award-  
18 ing financial aid’—

19 “(A) means any activity carried out by a  
20 person or entity for the purpose of the admis-  
21 sion or matriculation of a student to an institu-  
22 tion of higher education or the award of finan-  
23 cial aid to a student that occurs at any time  
24 until the student has completed the student’s  
25 educational program at an institution;

1           “(B) includes contact in any form with a  
2           prospective student, such as contact through  
3           preadmission or advising activities, scheduling  
4           an appointment to visit the enrollment office or  
5           any other office of the institution, attendance at  
6           such an appointment, or involvement in a pro-  
7           spective student’s signing of an enrollment  
8           agreement or financial aid application; and

9           “(C) does not include making a payment  
10          to a third party for the provision of student  
11          contact information for prospective students, as  
12          long as such payment is not based on—

13               “(i) any additional conduct or action  
14               by the third party or any prospective stu-  
15               dent, such as participation in preadmission  
16               or advising activities, scheduling an ap-  
17               pointment to visit the enrollment office or  
18               any other office of the institution or at-  
19               tendance at such an appointment, or the  
20               signing, or being involved in the signing, of  
21               a prospective student’s enrollment agree-  
22               ment or financial aid application; or

23               “(ii) the number of students (cal-  
24               culated at any point in time of an edu-  
25               cational program) who apply for enroll-

1                   ment, are awarded financial aid, or are en-  
2                   rolled for any period of time, including  
3                   through completion of an educational pro-  
4                   gram.

5           “(k) SERVICE PROVIDER.—For purposes of this title,  
6 the term ‘service provider’ means any State, person, or  
7 entity that enters into a contract with an eligible institu-  
8 tion to administer any aspect of the institution’s participa-  
9 tion in any program under this title, including—

10           “(1) securing enrollments or securing or award-  
11           ing financial aid;

12           “(2) student performance in educational  
13           coursework;

14           “(3) student graduation;

15           “(4) job placement of students; or

16           “(5) any other academic facet of a student’s en-  
17           rollment in an institution of higher education.

18           “(l) STUDENT DEFAULT RISK.—For purposes of this  
19 title, the term ‘student default risk’ means a risk that is  
20 reflected as a percentage that is calculated by taking an  
21 institution’s 3-year cohort default rate, as defined in sec-  
22 tion 435(m), for the most recent fiscal year available, and  
23 multiplying it by the percentage of students enrolled at  
24 such institution receiving a Federal student loan author-  
25 ized under this title during the previous academic year.”.

1 **SEC. 482. STANDARD NOTIFICATION FORMAT FOR DELIN-**  
 2 **QUENT BORROWERS; EXPLANATION OF BEN-**  
 3 **EFITS OF FEDERAL LOANS.**

4 Part G of title IV (20 U.S.C. 1088 et seq.) is amend-  
 5 ed by inserting after section 483 the following:

6 **“SEC. 483A. STANDARD NOTIFICATION FORMAT FOR DELIN-**  
 7 **QUENT BORROWERS; EXPLANATION OF BEN-**  
 8 **EFITS OF FEDERAL LOANS.**

9 “(a) STANDARD NOTIFICATION FORMAT FOR DELIN-  
 10 QUENT BORROWERS.—

11 “(1) IN GENERAL.—The Secretary, in consulta-  
 12 tion with the Director of the Bureau of Consumer  
 13 Financial Protection, shall develop and submit for  
 14 consumer testing in accordance with section 483C, a  
 15 standard format to be used to notify, by writing and  
 16 by telephone, any borrower who is delinquent, or at  
 17 risk of becoming delinquent, on loans made, insured,  
 18 or guaranteed under part B or D of the borrower’s  
 19 repayment options, including deferment, forbear-  
 20 ance, the income-based repayment plan available  
 21 under section 493C, loan forgiveness opportunities,  
 22 and, if applicable, the possibility for loan discharge.

23 “(2) CONTENTS.—To the extent practicable,  
 24 the information provided through the standard for-  
 25 mat to borrowers described in paragraph (1) shall  
 26 include all terms, conditions, fees, and costs associ-

1       ated with the available repayment plans in a format  
 2       that allows the borrower to compare the borrower's  
 3       current repayment plan with the alternatives.

4       “(b) EXPLANATION OF THE BENEFITS OF FEDERAL  
 5       LOANS.—The Secretary, in consultation with the Director  
 6       of the Bureau of Consumer Financial Protection, shall  
 7       prepare and make available to eligible institutions, for dis-  
 8       closure in accordance with section 485(l)(2)(L)(ii), a writ-  
 9       ten explanation of the benefits that are unique to Federal  
 10      student loans (including repayment plans, loan forgive-  
 11      ness, and loan deferment) and a description of the loan  
 12      terms that borrowers should examine carefully if consid-  
 13      ering a private education loan.”.

14      **SEC. 483. INSTITUTIONAL FINANCIAL AID AWARD LETTER.**

15      (a) IN GENERAL.—Part G of title IV (20 U.S.C.  
 16      1088 et seq.) is further amended by inserting after section  
 17      483A, as added by section 482, the following:

18      **“SEC. 483B. INSTITUTIONAL FINANCIAL AID AWARD LET-**  
 19                                      **TERS.**

20      “(a) STANDARD FORMAT.—The Secretary, in con-  
 21      sultation with the heads of relevant Federal agencies, shall  
 22      develop a standard format for financial aid award letters  
 23      based on recommendations from representatives of stu-  
 24      dents, students' families, institutions of higher education,

1 secondary school and postsecondary education counselors,  
2 and nonprofit consumer groups.

3 “(b) KEY REQUIRED CONTENTS FOR FINANCIAL AID  
4 AWARD LETTERS.—The standard format developed under  
5 subsection (a) shall include, in a consumer-friendly man-  
6 ner that is simple and understandable, the following items  
7 clearly separated from each other and listed on the first  
8 page of the financial aid award letter in either electronic  
9 or written format:

10 “(1) Information on the student’s cost of at-  
11 tendance based on the most current costs for the  
12 academic period covered by the financial aid award  
13 letter, including the following expenses (as deter-  
14 mined under section 472):

15 “(A) Tuition and fees.

16 “(B) Room and board costs.

17 “(C) Books and supplies.

18 “(D) Transportation.

19 “(E) Miscellaneous personal expenses.

20 “(2)(A) The amount of financial aid that the  
21 student would not have to repay, such as scholar-  
22 ships, grant aid offered under this title, or grant aid  
23 offered by the institution, a State, or an outside  
24 source to the student for such academic period;

1           “(B) a disclosure that such financial aid does  
2           not have to be repaid and whether the student can  
3           expect to receive similar amounts of such financial  
4           aid for each academic period the student is enrolled  
5           at the institution; and

6           “(C) in the case of any institution that has a  
7           policy or practice of front-loading grant aid, a disclo-  
8           sure of that practice and that the student may re-  
9           ceive less grant aid in future academic terms.

10           “(3) The net price that the student, or the stu-  
11           dent’s family on behalf of the student, will have to  
12           pay for the student to attend the institution for such  
13           academic period, equal to the difference between—

14           “(A) the cost of attendance as described in  
15           paragraph (1) for the student for such aca-  
16           demic period; and

17           “(B) the amount of financial aid described  
18           in paragraph (2) that is included in the finan-  
19           cial aid award letter.

20           “(4) The amount of work study assistance, in-  
21           cluding such assistance available under part C, the  
22           likelihood of finding employment opportunities on  
23           campus, and a disclosure that the aid must be  
24           earned by the student and the assistance offered is

1 subject to the availability of employment opportuni-  
2 ties.

3 “(5) The types and amounts of loans under  
4 part D or E that the institution recommends for the  
5 student for such academic period, including—

6 “(A) a disclosure that such loans have to  
7 be repaid;

8 “(B) a disclosure that the student can bor-  
9 row a lesser amount than the recommended  
10 loan amount;

11 “(C) a clear use of the word ‘loan’ to de-  
12 scribe the recommended loan amounts;

13 “(D) personalized information showing es-  
14 timates of the borrower’s anticipated monthly  
15 payments and the difference in total interest  
16 paid and total payments under each plan;

17 “(E) a disclosure that Federal loans can-  
18 not be discharged in bankruptcy except in cases  
19 of extreme or undue hardship; and

20 “(F) a disclosure that the student may be  
21 eligible for longer repayment terms, such as ex-  
22 tended or income-based repayment plans, and  
23 that longer repayment terms may result in the  
24 student paying more money over the life of the  
25 loans.

1           “(6) Where a student or the student’s family  
2           can seek additional information regarding the finan-  
3           cial aid offered, including contact information for  
4           the institution’s financial aid office and the Depart-  
5           ment’s website on financial aid.

6           “(7) A disclosure that Federal student loans  
7           offer generally more favorable terms and beneficial  
8           repayment options than private education loans so  
9           students should examine available Federal student  
10          loan options before applying for private education  
11          loans, and an explanation to be written by the Sec-  
12          retary, in consultation with the heads of relevant  
13          Federal agencies of—

14               “(A) the benefits unique to Federal stu-  
15               dent loans, including various repayment plans,  
16               loan forgiveness, and loan deferment; and

17               “(B) the loan terms and conditions to ex-  
18               amine carefully, if considering a private edu-  
19               cation loan.

20           “(8) The deadline and summary of the process,  
21           if any, for accepting the financial aid offered in the  
22           financial aid award letter.

23           “(9) The academic period covered by the finan-  
24           cial aid award letter and a clear indication whether

1 the aid offered is based on full-time or part-time en-  
2 rollment.

3 “(10) With respect to institutions where more  
4 than 30 percent of enrolled students borrow loans to  
5 pay for their education, the institution’s most recent  
6 cohort default rate, as defined in section 435(m),  
7 compared to the most recent national average cohort  
8 default rate.

9 “(11) Any other information the Secretary, in  
10 consultation with the heads of relevant Federal  
11 agencies, determines necessary so that students and  
12 parents can make informed loan borrowing decisions,  
13 including quality metrics such as percentage of stu-  
14 dents at the institution who take out student loans  
15 and average debt at graduation for students at the  
16 institution.

17 “(c) OTHER REQUIRED CONTENTS FOR THE FINAN-  
18 CIAL AID AWARD LETTER.—The standard format for a  
19 financial aid award letter developed under subsection (a)  
20 shall also include the following information, in a concise  
21 format determined by the Secretary, in consultation with  
22 the heads of relevant Federal agencies:

23 “(1) A concise summary of the terms and con-  
24 ditions of financial aid recommended under para-  
25 graphs (2), (4), and (5) of subsection (b), and a

1 method to provide students with additional informa-  
2 tion about such terms and conditions, such as links  
3 to the supplementary information.

4 “(2) At the institution’s discretion, additional  
5 options for paying for the net price amount listed in  
6 subsection (b)(3), such as the amount recommended  
7 to be paid by the student or student’s family, Fed-  
8 eral Direct PLUS Loans, or private education loans.  
9 If the institution recommends private education  
10 loans, the financial aid award letter shall contain the  
11 additional following general disclosures:

12 “(A) The availability of, and the student’s  
13 potential eligibility for, additional Federal fi-  
14 nancial assistance under this title.

15 “(B) The impact of a proposed private  
16 education loan on the student’s potential eligi-  
17 bility for other financial assistance, including  
18 Federal financial assistance under this title.

19 “(C) The student’s ability to select a pri-  
20 vate educational lender of the student’s choice.

21 “(D) The student’s right to accept or re-  
22 ject a private education loan within the 30-day  
23 period following a private educational lender’s  
24 approval of a student’s application and a stu-  
25 dent’s 3-day right-to-cancel period.

1           “(E) With respect to dependent students,  
2           any reference to private education loans shall be  
3           accompanied by information about the rec-  
4           ommended family contribution and the avail-  
5           ability of, and terms and conditions associated  
6           with, Federal Direct PLUS Loans for the stu-  
7           dent’s parents regardless of family income, and  
8           of the student’s increased eligibility for Federal  
9           student loans under this title if the student’s  
10          parents are not able to borrow under the Fed-  
11          eral Direct PLUS Loan program.

12          “(3) The following disclosures:

13               “(A) That the financial aid award letter  
14               only contains information for 1 academic period  
15               and the financial aid offered in following aca-  
16               demic periods may change, unless the institu-  
17               tion is offering aid that covers multiple aca-  
18               demic periods.

19               “(B) How non-institutional scholarships  
20               awarded to the student affect the financial aid  
21               package offered to the student.

22               “(C) A concise summary of any Federal or  
23               institutional conditions required to receive and  
24               renew financial aid and a method to provide  
25               students with additional information about

1           these conditions, such as links to the supple-  
2           mentary information.

3           “(d) ADDITIONAL REQUIREMENTS FOR FINANCIAL  
4 AID AWARD LETTER.—In addition to the requirements  
5 listed under subsections (b) and (c), the financial aid  
6 award letter shall meet the following requirements:

7           “(1) Clearly distinguish between the aid offered  
8           under paragraphs (2), (4), and (5) of subsection (b),  
9           by including a subtotal for the aid offered in each  
10          of such paragraphs and by refraining from commin-  
11          gling the different types of aid described in such  
12          paragraphs.

13          “(2) Use standard definitions and names for  
14          the terms described in subsection (b) that are devel-  
15          oped by the Secretary in consultation with the heads  
16          of relevant Federal agencies, representatives of insti-  
17          tutions of higher education, nonprofit consumer  
18          groups, students, and secondary school and higher  
19          education guidance counselors, not later than 3  
20          months after the date of enactment of the Higher  
21          Education Affordability Act.

22          “(3) If an institution’s recommended Federal  
23          student loan aid offered under subsection (b)(5) is  
24          less than the maximum amount of Federal assist-  
25          ance available to the student under parts D and E,

1 provide additional information on Federal student  
2 loans, including the types and amounts for which the  
3 student is eligible in an attached document or  
4 webpage.

5 “(4) Use standard formatting and design to en-  
6 sure—

7 “(A) that figures described in paragraphs  
8 (1) through (5) of subsection (b) are in the  
9 same font, appear in the same order, and are  
10 displayed prominently on the first page of the  
11 financial aid award letter whether produced in  
12 written or electronic format; and

13 “(B) that the other information required  
14 in subsections (b) and (c) appears in a standard  
15 format and design on the financial aid award  
16 letter.

17 “(5) Include an attestation that the student has  
18 accessed and read the financial aid award letter, if  
19 provided to the student in electronic format.

20 “(6) Include language developed by the Sec-  
21 retary, in consultation with the heads of relevant  
22 Federal agencies, notifying eligible students that  
23 they may be eligible for education benefits, and  
24 where they can locate more information about such  
25 benefits, described in the following provisions:

1                   “(A) Chapter 30, 31, 32, 33, 34, or 35 of  
2                   title 38, United States Code.

3                   “(B) Chapter 101, 105, 106A, 1606, 1607,  
4                   or 1608 of title 10, United States Code.

5                   “(C) Section 1784a, 2005, or 2007 of title  
6                   10, United States Code.

7           “(e) ADDITIONAL INFORMATION.—Nothing in this  
8 section shall preclude an institution from supplementing  
9 the financial aid award letter with additional information  
10 as long as such additional information supplements the fi-  
11 nancial aid award letter and is not located on the financial  
12 aid award letter, except as provided in subsection (c)(2).

13           “(f) CONSUMER TESTING.—The financial aid award  
14 letter under this section shall undergo consumer testing  
15 in accordance with section 483C. The Secretary, in con-  
16 sultation with the heads of relevant Federal agencies, rep-  
17 resentatives of institutions of higher education, nonprofit  
18 consumer groups, students, and secondary school and  
19 higher education guidance counselors, shall develop mul-  
20 tiple designs and formatting, subject to the requirements  
21 of subsection (d)(4), of the financial aid award letter to  
22 be used for consumer testing not later than 6 months after  
23 the date of enactment of the Higher Education Afford-  
24 ability Act.”.

1 (b) CONFORMING AMENDMENT.—Section 484 of the  
 2 Higher Education Opportunity Act (20 U.S.C. 1092 note)  
 3 is repealed.

4 **SEC. 483A. CONSUMER TESTING.**

5 Part G of title IV (20 U.S.C. 1088 et seq.) is further  
 6 amended by inserting after section 483B, as added by sec-  
 7 tion 483, the following:

8 **“SEC. 483C. CONSUMER TESTING.**

9 “(a) ESTABLISHMENT OF CONSUMER TESTING  
 10 PROCESS.—Not later than 6 months after the date of en-  
 11 actment of the Higher Education Affordability Act, and  
 12 every 5 years thereafter, the Secretary shall establish, in  
 13 consultation with the heads of relevant Federal agencies,  
 14 a process for consumer testing each of the following:

15 “(1) The universal net price calculator estab-  
 16 lished under section 132(h)(7).

17 “(2) The College Scorecard established under  
 18 section 133.

19 “(3) The initial model form of postsecondary  
 20 education information required under section  
 21 405A(g) for the initial consumer testing, and the  
 22 postsecondary education information form under sec-  
 23 tion 405A(h) for all subsequent consumer testing.

24 “(4) The initial model form of postsecondary  
 25 education information required under section

1       405B(g) for the initial consumer testing, and the  
2       postsecondary education information form under sec-  
3       tion 405B(h) for all subsequent consumer testing.

4           “(5) The master promissory note.

5           “(6) The standard notification format for bor-  
6       rowers who are delinquent or at risk of being delin-  
7       quent under section 483A.

8           “(7) The institutional financial aid award letter  
9       required under section 483B.

10          “(8) The methodology for comparing institu-  
11       tions based on the speed-based repayment rate  
12       under section 483D(c)(4)(A).

13          “(9) Online entrance, exit, and interim loan  
14       counseling tools, including the Department of Edu-  
15       cation’s Financial Awareness Counseling Tool and  
16       other online tools that may be used, and any disclo-  
17       sures that may be provided, during the counseling  
18       that is required under subsections (b), (l), and (n)  
19       of section 485.

20          “(10) The personalized periodic statement re-  
21       quired for borrowers who are automatically enrolled  
22       into an income-based repayment plan under section  
23       493C(d)(1)(D).

24          “(11) Any consent form or any online tool re-  
25       quired for consent of borrowers with \$0 payment

1 under paragraph (1)(C)(ii)(II) or (3)(B) of section  
2 493C(d).

3 “(b) PARTICIPANTS IN CONSUMER TESTING.—The  
4 consumer testing process for a product described in sub-  
5 section (a) shall include, as the Secretary determines nec-  
6 essary for the product—

7 “(1) representatives of students (including low-  
8 income students, first generation college students,  
9 students underrepresented in higher education (in-  
10 cluding students from ethnic and racial minorities),  
11 adult students, and prospective students);

12 “(2) students’ families (including low-income  
13 families, families with first generation college stu-  
14 dents, families with students who are underrep-  
15 resented in higher education (including students  
16 from ethnic and racial minorities), and families with  
17 prospective students);

18 “(3) representatives of institutions of higher  
19 education, including faculty;

20 “(4) secondary school and postsecondary edu-  
21 cation counselors;

22 “(5) postsecondary financial aid officers; and

23 “(6) nonprofit consumer groups.

24 “(c) USE OF CONSUMER TESTING RESULTS.—The  
25 Secretary shall use the results of the consumer testing in

1 the final development of each product described in sub-  
 2 section (a), and may modify the definitions, terms, for-  
 3 matting, and design of any product tested under this sec-  
 4 tion based on the results of the consumer testing before  
 5 finalizing the product.

6 “(d) REPORT TO CONGRESS.—Not later than 3  
 7 months after the date any consumer testing under this  
 8 section concludes, the Secretary shall submit to the au-  
 9 thorizing committees a report that contains the results of  
 10 such consumer testing.”.

11 **SEC. 483B. LOAN REPAYMENT RATE AND SPEED-BASED RE-**  
 12 **PAYMENT RATE.**

13 Part G of title IV (20 U.S.C. 1088 et seq.) is further  
 14 amended by inserting after section 483C, as added by sec-  
 15 tion 484, the following:

16 **“SEC. 483D. LOAN REPAYMENT RATE AND SPEED-BASED**  
 17 **REPAYMENT RATE.**

18 “(a) DEFINITIONS.—In this section:

19 “(1) AMOUNT PAID.—The term ‘amount paid’,  
 20 when used with respect to a covered Federal student  
 21 loan, means the amount paid of the outstanding bal-  
 22 ance, calculated by determining the difference be-  
 23 tween the original outstanding balance on the loan  
 24 and the current loan balance on the loan.

1           “(2) COHORT LOAN.—The term ‘cohort loan’,  
2       when used with respect to an institution, means a  
3       covered Federal student loan in the 2-year loan re-  
4       payment cohort identified for the institution under  
5       subsection (b)(2) for a fiscal year.

6           “(3) COVERED FEDERAL STUDENT LOAN.—The  
7       term ‘covered Federal student loan’ means—

8               “(A) a loan made, insured, or guaranteed  
9           under part B or D that is issued to a student  
10          borrower; or

11               “(B) the portion of a loan made under sec-  
12          tion 428C or a Federal Direct Consolidation  
13          Loan that is used to repay a loan described in  
14          subparagraph (A).

15           “(4) CURRENT LOAN BALANCE.—The term  
16       ‘current loan balance’ means the sum of the current  
17       outstanding balance due on a covered Federal stu-  
18       dent loan, as of the date on which a rate determina-  
19       tion under this section is being made, plus the ac-  
20       crued and unpaid interest balance on the loan as of  
21       such date.

22           “(5) ORIGINAL OUTSTANDING BALANCE.—The  
23       term ‘original outstanding balance’, when used with  
24       respect to a covered Federal student loan, means the  
25       total amount of the outstanding balance of the loan,

1 including capitalized interest and any unpaid ac-  
2 crued interest that has not been capitalized, as of  
3 the date that the loan entered repayment.

4 “(6) PAYMENTS-MADE LOAN.—The term ‘pay-  
5 ments-made loan’ means a covered Federal student  
6 loan that has never been in default (or, in the case  
7 of a loan described in paragraph (3)(B), neither the  
8 consolidation loan nor any underlying loan have ever  
9 been in default), where—

10 “(A) payments made by a borrower during  
11 the most recently completed fiscal year reduce  
12 the outstanding balance of the loan (which, in  
13 the case of a loan described in paragraph  
14 (3)(B), shall be deemed to mean reducing the  
15 outstanding balance of the entire consolidation  
16 loan) to an amount that is less than the out-  
17 standing balance of the loan at the beginning of  
18 that fiscal year; or

19 “(B) the borrower of the loan is in the  
20 process of qualifying for public service loan for-  
21 giveness under section 455(m) and submits an  
22 employment certification to the Secretary that  
23 demonstrates the borrower is engaged in a pub-  
24 lic service job and the borrower made qualifying  
25 payments, as determined under such section, on

1           the loan during the most recently completed fis-  
2           cal year.

3           “(b) LOAN REPAYMENT RATE.—

4           “(1) METHOD OF CALCULATION.—Each fiscal  
5           year, the Secretary shall determine the loan repay-  
6           ment rate for each institution of higher education  
7           that is participating in a program under this title or  
8           seeking to regain eligibility to participate in a pro-  
9           gram under this title by using the loan cohort identi-  
10          fied under paragraph (2) to calculate the loan repay-  
11          ment rate, in accordance with paragraph (3).

12          “(2) DETERMINATION OF LOAN COHORT.—

13                 “(A) IN GENERAL.—For purposes of calcu-  
14                 lating the loan repayment rate for a fiscal year  
15                 under this subsection, the 2-year loan repay-  
16                 ment cohort for an institution of higher edu-  
17                 cation shall consist of all covered Federal stu-  
18                 dent loans of the institution that are in their  
19                 third year of repayment or in their fourth year  
20                 of repayment, except as provided in subpara-  
21                 graph (B).

22                 “(B) SPECIAL RULES AND EXCLUSIONS.—

23                         “(i) SPECIAL RULE FOR MEDICAL AND  
24                         DENTAL           STUDENTS.—Notwithstanding  
25                         subparagraph (A), a covered Federal stu-

1           dent loan for any borrower who is a profes-  
 2           sional or graduate student enrolled in a  
 3           program of study that requires a medical  
 4           internship or residency shall be included in  
 5           the loan cohort when the loan is in its  
 6           sixth and seventh years of repayment.

7           “(ii) EXCLUSIONS.—The Secretary  
 8           shall exclude from a loan cohort for a fis-  
 9           cal year any covered Federal student loan  
 10          that would otherwise qualify, if the loan—

11                   “(I) was discharged under sub-  
 12                   section (a)(1) or (d) of section 437 as  
 13                   a result of the death of the borrower;  
 14                   or

15                   “(II) was assigned or transferred  
 16                   to the Secretary and is being consid-  
 17                   ered for discharge as a result of the  
 18                   total and permanent disability of the  
 19                   borrower, or was discharged by the  
 20                   Secretary on that basis, under section  
 21                   437(a).

22           “(iii) TREATMENT OF DEFERMENTS  
 23          AND FORBEARANCE.—

24                   “(I) IN GENERAL.—The Sec-  
 25                   retary shall treat any period during

1 which a covered Federal student loan  
2 is in deferment or forbearance under  
3 this title as a period of repayment for  
4 purposes of this subsection, except as  
5 provided in subclause (II).

6 “(II) EXCEPTION FOR IN-SCHOOL  
7 DEFERMENT.—The Secretary shall  
8 not include any period during which  
9 payments on a covered Federal stu-  
10 dent loan are deferred under section  
11 428(b)(1)(M)(i), 428B(d)(1)(A)(i), or  
12 455(f)(2)(A) in determining the bor-  
13 rower’s period of repayment for pur-  
14 poses of paragraph (1), subject to  
15 subclause (III).

16 “(III) NO EXCEPTION FOR CER-  
17 TAIN SHORT TERM PROGRAMS OF  
18 STUDY.—Subclause (II) shall not  
19 apply in any case where a deferral de-  
20 scribed in such subclause is due to a  
21 borrower’s enrollment, after comple-  
22 tion of the program for which the loan  
23 was made, in a program of study of  
24 less than 6 months in duration.

1                   “(iv) TREATMENT OF CONSOLIDATION  
2                   LOANS.—For each covered Federal student  
3                   loan that is a loan described in subsection  
4                   (a)(3)(B), the Secretary shall—

5                   “(I) determine the original out-  
6                   standing balance for each original cov-  
7                   ered Federal student loan that com-  
8                   prises the consolidation loan;

9                   “(II) determine the date that the  
10                  repayment period began, in accord-  
11                  ance with this subparagraph, for each  
12                  such original loan;

13                  “(III) include, in determining the  
14                  duration of the repayment period  
15                  under this paragraph for the under-  
16                  lying loan, the period during which  
17                  the original loan was in repayment  
18                  and the period during which the con-  
19                  solidation loan was in repayment; and

20                  “(IV) include the amount deter-  
21                  mined under subclause (I) for each  
22                  underlying loan in the calculations  
23                  under this paragraph for the appro-  
24                  priate fiscal year based on the repay-  
25                  ment period for the underlying loan.

1 “(3) FORMULA FOR LOAN REPAYMENT RATE.—

2 “(A) IN GENERAL.—For purposes of this  
3 section, the loan repayment rate for an institu-  
4 tion for a fiscal year shall be equal to the pro-  
5 portion that—

6 “(i) the sum of—

7 “(I) the total original out-  
8 standing balance of all covered Fed-  
9 eral student loans in the loan cohort  
10 of the institution for such fiscal year  
11 that are paid in full in accordance  
12 with subparagraph (B); and

13 “(II) the total original out-  
14 standing balance of all payments-  
15 made loans in the loan cohort for such  
16 year; bears to

17 “(ii) the total original outstanding  
18 balance of all loans in the loan cohort for  
19 such year.

20 “(B) LOANS PAID IN FULL.—

21 “(i) IN GENERAL.—For purposes of  
22 paragraph (1)(A), a loan paid in full is a  
23 covered Federal student loan in the loan  
24 cohort that—

1 “(I) has never been in default (or  
2 in the case of a loan described in sub-  
3 section (a)(3)(B), neither the consoli-  
4 dation loan nor any original loan com-  
5 prising the consolidation loan has ever  
6 been in default); and

7 “(II) has been paid in full by a  
8 borrower.

9 “(ii) CONSOLIDATION LOANS AND RE-  
10 FINANCING.—A covered Federal student  
11 loan described in subsection (a)(3)(B) or  
12 consolidated under another refinancing  
13 process provided for under this Act, is not  
14 counted as a loan paid in full for purposes  
15 of this subparagraph until the consolida-  
16 tion loan or other financial instrument is  
17 paid in full by the borrower.

18 “(4) PUBLICATION.—The Secretary shall make  
19 the loan repayment rate for each institution of high-  
20 er education participating in a program under this  
21 title or seeking to regain eligibility to participate in  
22 a program under this title publicly available on the  
23 College Navigator website of the Department, or any  
24 successor website, and the website for the National  
25 Center for Education Statistics.

1 “(c) SPEED-BASED REPAYMENT RATE.—

2 “(1) PURPOSE.—The purpose of the speed-  
3 based repayment rate under this subsection is to  
4 provide an estimate of—

5 “(A) the annual rate at which student bor-  
6 rowers at an institution of higher education are  
7 repaying their loans under part B and D; and

8 “(B) the total expected time it takes stu-  
9 dent borrowers to repay their loans.

10 “(2) IN GENERAL.—In order to provide addi-  
11 tional information regarding loan repayment, the  
12 Secretary shall, for each fiscal year—

13 “(A) determine the speed-based repayment  
14 rate for each institution of higher education  
15 that is participating in a program under this  
16 title or seeking to regain eligibility to partici-  
17 pate in a program under this title;

18 “(B) determine the information required  
19 for the comparison methodology established by  
20 the Secretary under paragraph (4); and

21 “(C) publish the most recently available  
22 speed-based repayment rate and the comparison  
23 information under paragraph (4) for each such  
24 institution on the College Scorecard, in accord-  
25 ance with section 133(d)(3), and on the College

1 Affordability and Transparency Center website,  
2 or any successor website, of the Department.

3 “(3) DETERMINATION OF SPEED-BASED REPAY-  
4 MENT RATE.—In order to provide additional infor-  
5 mation regarding loan repayment and determine the  
6 speed-based repayment rate required under para-  
7 graph (2)(A) for an institution of higher education,  
8 the Secretary shall, for each fiscal year—

9 “(A) determine the percentage paid of the  
10 total original outstanding balance of all cohort  
11 loans of the institution for the fiscal year (in-  
12 cluding, for purposes of calculating the speed-  
13 based repayment rate only, all loans that would  
14 be cohort loans for such fiscal year if the loans  
15 were not in delinquency, forbearance,  
16 deferment, or default) for which the determina-  
17 tion is being made, by dividing—

18 “(i) the amount paid of all such co-  
19 hort loans of the institution for such year;  
20 by

21 “(ii) the total original outstanding  
22 balance of all such cohort loans of the in-  
23 stitution for such year; and

24 “(B) divide such percentage by the average  
25 number of years in repayment for the cohort

1 loans of the institution, rounded to the nearest  
2 month and weighted based on the dollar  
3 amount of the current loan balance of each co-  
4 hort loan.

5 “(4) COMPARISON METHODOLOGY FOR DISCLO-  
6 SURE PURPOSES.—

7 “(A) IN GENERAL.—The Secretary shall  
8 establish a methodology for comparing similar  
9 institutions of higher education based on the  
10 speed-based repayment rate. The methodology  
11 shall—

12 “(i) use clear and understandable  
13 terms, such as ‘quickly’ and ‘slowly’, to in-  
14 dicate the relative significance of the  
15 speed-based repayment rate of an institu-  
16 tion of higher education;

17 “(ii) include a projection of the ex-  
18 pected time for the average borrower in the  
19 loan cohort described in paragraph (3)(A)  
20 of each institution to complete repayment  
21 at each institution, based on the speed-  
22 based repayment rate;

23 “(iii) include a comparison of each in-  
24 stitution’s expected time of repayment

1 under clause (ii) with the expected times of  
2 repayment for similar institutions;

3 “(iv) not disaggregate the compari-  
4 sons based on status as a public, private  
5 nonprofit, or proprietary institution of  
6 higher education;

7 “(v) distinguish the overall speed-  
8 based repayment rate of an institution  
9 from the speed-based repayment rate of all  
10 professional degree programs of the insti-  
11 tution; and

12 “(vi) calculate a separate speed-based  
13 repayment rate for each program at an in-  
14 stitution that is subject to gainful employ-  
15 ment regulations under section 668.7 of  
16 title 34, Code of Federal Regulations.

17 “(B) CONSUMER TESTING.—The Secretary  
18 shall submit the methodology described in sub-  
19 paragraph (A) for consumer testing in accord-  
20 ance with section 483C.

21 “(5) GUIDANCE AND REGULATIONS.—The Sec-  
22 retary may issue guidance and promulgate rules for  
23 the purposes of determining the speed-based repay-  
24 ment rate.

1           “(6) **AUTHORITY TO ADJUST FORMULA.**—Not-  
 2       withstanding any other provision of this section, the  
 3       Secretary may adjust the formula for calculating the  
 4       speed-based repayment rate under paragraphs (2)  
 5       and (3) to provide a more informative and accurate  
 6       measure of the speed of repayment.

7           “(d) **PUBLICATION OF STUDENT DEFAULT RISK.**—  
 8       Each year, the Secretary shall publish the student default  
 9       risk for each institution for the most recent fiscal year  
 10      on the website of the National Center for Education Sta-  
 11      tistics.”.

12   **SEC. 483C. ONE-TIME FAFSA PILOT PROGRAM.**

13       Part G of title IV (20 U.S.C. 1088 et seq.) is further  
 14      amended by inserting after section 483C, as added by sec-  
 15      tion 485, the following:

16   **“SEC. 483E. ONE-TIME FAFSA PILOT PROGRAM.**

17       “(a) **PURPOSES.**—The purposes of this section are—

18           “(1) to streamline the annual process by which  
 19       students apply for Federal financial assistance; and

20           “(2) to reduce the need for students to apply  
 21       for such assistance each year.

22       “(b) **PILOT PROGRAM AUTHORIZED.**—The Secretary  
 23      is authorized to establish a pilot program and select 5 eli-  
 24      gible States—

1           “(1) in which a student who attends an institu-  
2           tion of higher education in the eligible State may  
3           submit a single Free Application for Federal Stu-  
4           dent Aid described in section 483 and as modified  
5           under subsection (d) (referred to in this section as  
6           the ‘FAFSA’), to be used for application to deter-  
7           mine the need and eligibility of the student for fi-  
8           nancial assistance under this title during the official  
9           length of the student’s proposed postsecondary de-  
10          gree program; and

11           “(2) that shall receive a grant in accordance  
12          with subsection (e).

13          “(c) ELIGIBLE STATES.—The Secretary shall select  
14   5 eligible States that are determined by the Secretary to  
15   have a strong record of increasing college access and af-  
16   fordability, especially for low-income students, to partici-  
17   pate in the pilot program described in subsection (b). The  
18   selection of eligible States shall be based on the extent  
19   to which the State has—

20           “(1) invested, and continues to invest, signifi-  
21          cantly in public higher education, resulting in a com-  
22          paratively lower net price for low-income students;

23           “(2) allocated State financial aid primarily on  
24          the basis of need; and

1           “(3) agreed, as a condition of the State’s appli-  
2           cation for the pilot program under this section, to  
3           provide all in-State students (as determined by the  
4           State) with an offer for State financial aid that—

5                   “(A) is valid for not less than 2 years and  
6                   not more than 4 years, as determined by the  
7                   State; and

8                   “(B) shall be subject to change only upon  
9                   certain conditions, such as significant changes  
10                  in a student’s financial circumstances.

11          “(d) SINGLE FAFSA SUBMISSION.—The Secretary  
12          shall implement, in consultation with the 5 selected eligible  
13          States, a pilot program to streamline the process of appli-  
14          cation to determine the need and eligibility of a student  
15          for financial assistance under this title that incorporates  
16          the following:

17               “(1) An option for students that are enrolled in  
18               an institution of higher education in a selected eligi-  
19               ble State to submit a single FAFSA at the begin-  
20               ning of the student’s postsecondary degree program  
21               and receive a determination of financial assistance  
22               under this title that shall, on a contingent basis, be  
23               valid for not less than 2 years and not more than  
24               four years, as determined by the State.

1           “(2) The determination of financial assistance  
2           under paragraph (1) shall be made in accordance  
3           with part F, except that relevant calculations shall  
4           be made using a multi-year average, of two or three  
5           years, from the most recent tax years for which data  
6           are available. A student may use previously sub-  
7           mitted student and parent taxpayer data to  
8           prepopulate the electronic version of the FAFSA, as  
9           described in section 483(f) of the Higher Education  
10          Act of 1965 (20 U.S.C. 1090(f)).

11          “(3) As a condition of the continued receipt of  
12          financial assistance under this section, the Secretary  
13          may require a student who submits the single  
14          FAFSA to respond to a short number of questions  
15          (which may be determined by the Secretary), on an  
16          annual basis, to determine if there is a change in the  
17          financial status of the student (such as whether the  
18          student or the student’s parent has experienced a  
19          substantial increase in annual income) in order to  
20          ensure that the student continues to receive the ap-  
21          propriate amount of financial assistance under this  
22          title.

23          “(4) Notwithstanding paragraph (1), a require-  
24          ment that students who experience significant  
25          changes in their financial circumstances, as deter-

1       mined by the Secretary, will be required to resubmit  
2       the FAFSA in order to receive a new determination  
3       of financial assistance under this title.

4           “(5) An income verification process—

5               “(A) which the Secretary, through the es-  
6               tablishment of a memorandum of under-  
7               standing with the Secretary of the Treasury,  
8               will develop to share the income tax data of a  
9               random sample of students who have received  
10              Federal assistance under this title, including  
11              Federal Pell Grants under section 401 and  
12              loans made under part D;

13              “(B) to ensure that students who have not  
14              resubmitted a FAFSA in accordance with para-  
15              graph (4) did not have a significant change in  
16              financial circumstances that would have re-  
17              quired them to do so;

18              “(C) that shall be carried out in a way so  
19              as to ensure that no personally identifiable in-  
20              formation is made public through the income  
21              verification process; and

22              “(D) that will be carried out only with the  
23              consent of students, whose consent will be re-  
24              quested as part of the annual response required  
25              under paragraph (3).

1           “(6) An option for students to request profes-  
2           sional judgment or resubmit their FAFSA each  
3           year, to receive a new determination of eligibility for  
4           financial assistance under this title.

5           “(e) GRANT AMOUNT.—Selected eligible States that  
6           receive a grant under this section shall use grant funds  
7           to increase public awareness of, and promote the use of,  
8           the single FAFSA that may be submitted under the pilot  
9           program to be used for application to determine the need  
10          and eligibility of the student for financial assistance under  
11          this title during the official length of the student’s pro-  
12          posed postsecondary degree program.

13          “(f) SUPPLEMENT NOT SUPPLANT.—The grants pro-  
14          vided under this section shall be used to supplement, and  
15          not supplant, State funds that are used to improve college  
16          access and affordability.

17          “(g) EVALUATION.—Not later than 3 years after the  
18          date of enactment of the Higher Education Affordability  
19          Act, and 5 years thereafter, the Secretary shall prepare  
20          and submit to the authorizing committees a report that  
21          contains an evaluation of the effectiveness of the pilot pro-  
22          gram under this section in improving college access, in-  
23          creasing FAFSA submission rates, and increasing postsec-  
24          ondary education credit and course accumulation.”.

1 **SEC. 484. ABILITY TO BENEFIT.**

2 (a) IN GENERAL.—Subsection (d) of section 484 (20  
3 U.S.C. 1091) is amended to read as follows:

4 “(d) STUDENTS WHO ARE NOT HIGH SCHOOL  
5 GRADUATES.—

6 “(1) STUDENT ELIGIBILITY.—In order for a  
7 student who does not have a certificate of gradua-  
8 tion from a school providing secondary education, or  
9 the recognized equivalent of such certificate, to be  
10 eligible for any assistance under subparts 1, 3, and  
11 4 of part A and parts B, C, D, and E of this title,  
12 the student shall meet the requirements of one of  
13 the following subparagraphs:

14 “(A) The student is enrolled in an eligible  
15 career pathway program and meets one of the  
16 following standards:

17 “(i) The student shall take an inde-  
18 pendently administered examination and  
19 shall achieve a score, specified by the Sec-  
20 retary, demonstrating that such student  
21 can benefit from the education or training  
22 being offered. Such examination shall be  
23 approved by the Secretary on the basis of  
24 compliance with such standards for devel-  
25 opment, administration, and scoring as the  
26 Secretary may prescribe in regulations.

1           “(ii) The student shall be determined  
2           as having the ability to benefit from the  
3           education or training in accordance with  
4           such process as the State shall prescribe.  
5           Any such process described or approved by  
6           a State for the purposes of this section  
7           shall be effective 6 months after the date  
8           of submission to the Secretary unless the  
9           Secretary disapproves such process. In de-  
10          termining whether to approve or dis-  
11          approve such process, the Secretary shall  
12          take into account the effectiveness of such  
13          process in enabling students without high  
14          school diplomas or the equivalent thereof  
15          to benefit from the instruction offered by  
16          institutions utilizing such process, and  
17          shall also take into account the cultural di-  
18          versity, economic circumstances, and edu-  
19          cational preparation of the populations  
20          served by the institutions.

21           “(iii) The student shall be determined  
22           by the institution of higher education as  
23           having the ability to benefit from the edu-  
24           cation or training offered by the institution  
25           of higher education upon satisfactory com-

1           pletion of 6 credit hours or the equivalent  
 2           coursework that are applicable toward a  
 3           degree or certificate offered by the institu-  
 4           tion of higher education.

5           “(B) The student has completed a sec-  
 6           ondary school education in a home school set-  
 7           ting that is treated as a home school or private  
 8           school under State law.

9           “(2) ELIGIBLE CAREER PATHWAY PROGRAM.—  
 10          In this subsection, the term ‘eligible career pathway  
 11          program’ means a program that—

12           “(A) concurrently enrolls participants in  
 13           connected adult education and eligible postsec-  
 14           ondary programs;

15           “(B) provides counseling and supportive  
 16           services to identify and attain academic and ca-  
 17           reer goals;

18           “(C) provides structured course sequences  
 19           that—

20           “(i)       are       articulated       and  
 21           contextualized; and

22           “(ii) allow students to advance to  
 23           higher levels of education and employment;

24           “(D) provides opportunities for accelera-  
 25           tion to attain recognized postsecondary creden-

1           tials, including degrees, industry relevant cer-  
 2           tifications, and certificates of completion of ap-  
 3           prenticeship programs;

4           “(E) is organized to meet the needs of  
 5           adults;

6           “(F) is aligned with the education and skill  
 7           needs of the regional economy; and

8           “(G) has been developed and implemented  
 9           in collaboration with partners in business, work-  
 10          force development, and economic development.”.

11       (b) EFFECTIVE DATE AND TRANSITION.—The  
 12       amendment made by subsection (a) shall apply to students  
 13       who first enroll in a program of study during the period  
 14       beginning July 1, 2012, and ending June 30, 2019.

15       **SEC. 485. REASONABLE COLLECTION COSTS IN STATE**  
 16                               **COURT JUDGMENTS.**

17       Section 484A(b)(1) (20 U.S.C. 1091a(b)(1)) is  
 18       amended by striking “reasonable collection costs” and in-  
 19       serting “reasonable collection costs, which, in the case of  
 20       a loan made under part D, means collection costs in an  
 21       amount that is reasonable and that does not exceed the  
 22       bona fide collection costs associated with such student loan  
 23       that are actually incurred in collecting the debt against  
 24       the borrower”.

1 **SEC. 486. IMPROVED DISCLOSURES, COUNSELING, AND FI-**  
 2 **NANCIAL ASSISTANCE INFORMATION FOR**  
 3 **STUDENTS.**

4 (a) IN GENERAL.—Section 485 (20 U.S.C. 1092) is  
 5 amended—

6 (1) in subsection (b)—

7 (A) in paragraph (1)(A)—

8 (i) by striking clause (i) and inserting  
 9 the following:

10 “(i) personalized information that reflects the  
 11 borrower’s actual borrowing circumstances, which  
 12 shall include—

13 “(I) the repayment plans available, includ-  
 14 ing the income-based repayment option under  
 15 section 493C and the standard 10-year repay-  
 16 ment option under section 428(b)(9)(A)(i) or  
 17 455(d)(1)(A);

18 “(II) a description of the different features  
 19 of each plan; and

20 “(III) personalized information showing es-  
 21 timates of the borrower’s anticipated monthly  
 22 payments and the difference in total interest  
 23 paid and total payments under each plan;”;

24 (ii) by redesignating clauses (viii) and  
 25 (ix) as clauses (x) and (xi), respectively;

1 (iii) by inserting after clause (vii) the  
 2 following:

3 “(viii) a statement that student loans must be  
 4 repaid even if the student does not complete the pro-  
 5 gram in which the student is enrolled;

6 “(ix) information and resources related to fi-  
 7 nancial literacy and planning, including budgeting,  
 8 as determined by the Secretary based on the rec-  
 9 ommendations of the Secretary of the Treasury in  
 10 the report submitted under section 1103 of the  
 11 Higher Education Affordability Act;” and

12 (iv) by adding at the end the fol-  
 13 lowing:

14 “(C) The counseling described in subparagraph (A)—

15 “(i) shall be provided in a simple and under-  
 16 standable manner that includes mechanisms to check  
 17 for comprehension; and

18 “(ii) shall be provided—

19 “(I) during an exit counseling session con-  
 20 ducted in person; or

21 “(II) online.”; and

22 (B) in paragraph (2)(A)(iv), by striking “,  
 23 address, social security number, references, and  
 24 driver’s license number” and inserting “, postal  
 25 address, social security number, references,

1 driver's license number, phone number, and  
 2 personal electronic mailing address that is not  
 3 associated with the institution”;

4 (2) in subsection (d)(1), by striking “income-  
 5 sensitive” and all that follows through “part D” and  
 6 inserting “income-based repayment plans for loans  
 7 made, insured, or guaranteed under part B or made  
 8 under part D.”;

9 (3) in subsection (f)—

10 (A) by striking the subsection heading and  
 11 inserting “DISCLOSURE OF CAMPUS SECURITY  
 12 AND HARASSMENT POLICY AND CAMPUS CRIME  
 13 STATISTICS”;

14 (B) in paragraph (6)(A)—

15 (i) by redesignating clauses (iii), (iv),  
 16 and (v) as clauses (vii), (viii), and (ix), re-  
 17 spectively; and

18 (ii) by inserting after clause (ii) the  
 19 following:

20 “(iii) The term ‘commercial mobile service’  
 21 has the meaning given the term in section  
 22 332(d) of the Communications Act of 1934 (47  
 23 U.S.C. 332(d)).

24 “(iv) The term ‘electronic communication’  
 25 means any transfer of signs, signals, writing,

1 images, sounds, or data of any nature trans-  
2 mitted in whole or in part by a wire, radio, elec-  
3 tromagnetic, photoelectronic, or photooptical  
4 system.

5 “(v) The term ‘electronic messaging serv-  
6 ices’ has the meaning given the term in section  
7 102 of the Communications Assistance for Law  
8 Enforcement Act (47 U.S.C. 1001).

9 “(vi) The term ‘harassment’ means con-  
10 duct, including acts of verbal, nonverbal, or  
11 physical aggression, intimidation, or hostility  
12 (including conduct that is undertaken in whole  
13 or in part, through the use of electronic mes-  
14 saging services, commercial mobile services,  
15 electronic communications, or other technology)  
16 that—

17 “(I) is sufficiently severe, persistent,  
18 or pervasive so as to limit a student’s abil-  
19 ity to participate in or benefit from a pro-  
20 gram or activity at an institution of higher  
21 education, or to create a hostile or abusive  
22 educational environment at an institution  
23 of higher education; and

24 “(II) is based on a student’s actual or  
25 perceived—

1 “(aa) race;  
 2 “(bb) color;  
 3 “(cc) national origin;  
 4 “(dd) sex;  
 5 “(ee) disability;  
 6 “(ff) sexual orientation;  
 7 “(gg) gender identity; or  
 8 “(hh) religion.”;

9 (C) by redesignating paragraphs (9)  
 10 through (18) as paragraphs (10) through (19),  
 11 respectively; and

12 (D) by inserting after paragraph (8) the  
 13 following:

14 “(9)(A) Each institution of higher education  
 15 participating in any program under this title, other  
 16 than a foreign institution of higher education, shall  
 17 develop and distribute as part of the report de-  
 18 scribed in paragraph (1) a statement of policy re-  
 19 garding harassment, which shall include—

20 “(i) a prohibition of harassment of enrolled  
 21 students by other students, faculty, and staff—

22 “(I) on campus;

23 “(II) in noncampus buildings or on  
 24 noncampus property;

25 “(III) on public property;

1 “(IV) through the use of electronic  
2 mail addresses issued by the institution of  
3 higher education;

4 “(V) through the use of computers  
5 and communication networks, including  
6 any telecommunications service, owned, op-  
7 erated, or contracted for use by the institu-  
8 tion of higher education or its agents; or

9 “(VI) during an activity sponsored by  
10 the institution of higher education or car-  
11 ried out with the use of resources provided  
12 by the institution of higher education;

13 “(ii) a description of the institution’s pro-  
14 grams to combat harassment, which shall be  
15 aimed at the prevention of harassment;

16 “(iii) a description of the procedures that  
17 a student should follow if an incident of harass-  
18 ment occurs; and

19 “(iv) a description of the procedures that  
20 the institution will follow once an incident of  
21 harassment has been reported.

22 “(B) The statement of policy described in sub-  
23 paragraph (A) shall address the following areas:

24 “(i) Procedures for timely institutional ac-  
25 tion in cases of alleged harassment, which pro-

cedures shall include a clear statement that the accuser and the accused shall be informed of the outcome of any disciplinary proceedings in response to an allegation of harassment.

“(ii) Possible sanctions to be imposed following the final determination of an institutional disciplinary procedure regarding harassment.

“(iii) Notification of existing counseling, mental health, or student services for victims or perpetrators of harassment, both on campus and in the community.

“(iv) Identification of a designated employee or office at the institution that will be responsible for receiving and tracking each report of harassment by a student, faculty, or staff member.”;

(4) in subsection (l)—

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

“(1) DISCLOSURE REQUIRED PRIOR TO SIGNING MASTER PROMISSORY NOTE.—Each eligible institution shall, prior to obtaining or arranging execution of a master promissory note for a loan under part D (other than a Federal Direct Consolidation Loan)

1 by a first-time borrower at such institution, ensure  
 2 that the borrower receives comprehensive informa-  
 3 tion on the terms and conditions of the loan and of  
 4 the responsibilities the borrower has with respect to  
 5 such loan in accordance with paragraph (2). Such  
 6 information—

7 “(A) shall be provided through the use of  
 8 interactive programs that include mechanisms  
 9 to check the borrower’s comprehension of the  
 10 terms and conditions of the borrower’s loans  
 11 under part D, using simple and understandable  
 12 language and clear formatting; and

13 “(B) shall be provided—

14 “(i) during an entrance counseling  
 15 session conducted in person; or

16 “(ii) online.”;

17 (B) in paragraph (2)—

18 (i) in subparagraph (H), by striking  
 19 “within the regular time for program com-  
 20 pletion”; and

21 (ii) by adding at the end the fol-  
 22 lowing:

23 “(L)(i) A disclosure that Federal student  
 24 loans offer generally more favorable terms and  
 25 beneficial repayment options than private edu-

1 cation loans, an explanation of the difference  
2 and relevance between student loans with a  
3 fixed interest rate as compared to student loans  
4 with a variable interest rate, and a rec-  
5 ommendation that students examine available  
6 Federal student loan options before applying for  
7 private education loans.

8 “(ii) The explanation of the benefits pro-  
9 vided under Federal student loans developed by  
10 the Secretary under section 483A(b).

11 “(M) An explanation, if applicable, that a  
12 student may refuse all or part of a student loan  
13 available under part D, which could help mini-  
14 mize the student’s debt obligations.

15 “(N) Information relating to the institu-  
16 tion’s cohort default rate, including—

17 “(i) the cohort default rate, as defined  
18 in section 435(m), of the institution;

19 “(ii) an easy to understand expla-  
20 nation of the cohort default rate;

21 “(iii) the percentage of students at  
22 the institution of higher education who  
23 borrow Federal student loans under this  
24 title;

1 “(iv) the national average cohort de-  
2 fault rate (as determined by the Secretary  
3 in accordance with section 435(m));

4 “(v) in the case of an institution with  
5 a cohort default rate that is greater than  
6 the national average cohort default rate (as  
7 described in clause (iv)), a disclosure to the  
8 student that the institution’s cohort de-  
9 fault rate is above the national average;  
10 and

11 “(vi) in the case of an institution with  
12 a cohort default rate that is greater than  
13 30 percent, a disclosure to the students  
14 that if the cohort default rate remains  
15 greater than 30 percent for the 3 consecu-  
16 tive years—

17 “(I) the institution will lose insti-  
18 tutional eligibility for the purposes of  
19 programs authorized under this title;  
20 and

21 “(II) the student will no longer  
22 be able to receive Federal financial aid  
23 at that institution.

1           “(O) Information relating to the institu-  
2           tion’s speed-based loan repayment rate, includ-  
3           ing—

4                   “(i) the speed-based loan repayment  
5                   rate, as described in section 483D(c), of  
6                   the institution and, if applicable, the  
7                   speed-based loan repayment rate of each  
8                   program at the institution that is subject  
9                   to gainful employment regulations under  
10                  section 668.7 of title 34, Code of Federal  
11                  Regulations;

12                  “(ii) an easy to understand descrip-  
13                  tion of what a speed-based loan repayment  
14                  rate is;

15                  “(iii) the national average speed-based  
16                  loan repayment rate, as determined by the  
17                  Secretary in accordance with section  
18                  483D(c); and

19                  “(iv) in the case of an institution with  
20                  a speed-based loan repayment rate that is  
21                  below the national average speed-based  
22                  loan repayment rate (as described in clause  
23                  (iii)), a disclosure to the student that the  
24                  institution’s speed-based loan repayment  
25                  rate is below the national average.

1           “(P) In the case of an institution with a  
 2           school default risk for a fiscal year, as cal-  
 3           culated by the Secretary, of 0.1 or higher, an  
 4           explanation of the obligations of the institution  
 5           under section 487(a)(32)(A).

6           “(Q) The percentages of students at the  
 7           institution who obtain a degree or certificate  
 8           within 100 percent of the normal time for com-  
 9           pletion of the student’s program, and who ob-  
 10          tain a degree or certificate within 150 percent  
 11          of the normal time for completion of, the stu-  
 12          dent’s program.

13          “(R) Information and resources related to  
 14          financial literacy and planning, including budg-  
 15          eting, as determined by the Secretary based on  
 16          the recommendations of the Secretary of the  
 17          Treasury in the report submitted under section  
 18          1103 of the Higher Education Affordability  
 19          Act.”; and

20                 (C) by adding at the end the following:

21                 “(3) BORROWER CONTACT INFORMATION.—

22                         “(A) IN GENERAL.—Each eligible institu-  
 23                         tion shall—

24                                 “(i) require that a borrower who ap-  
 25                                 plies for a loan under this title to attend

1 the institution on or after the date of en-  
2 actment of the Higher Education Afford-  
3 ability Act submit to the institution, dur-  
4 ing the entrance counseling required by  
5 this subsection, the borrower's contact in-  
6 formation at the time of the entrance  
7 counseling, including the borrower's phone  
8 number and the borrower's postal address;  
9 and

10 “(ii) request that the borrower provide  
11 a personal electronic mailing address of the  
12 borrower that is not associated with the in-  
13 stitution.

14 “(B) BORROWER RESPONSIBILITY.—A bor-  
15 rower receiving entrance counseling under this  
16 subsection shall provide the institution with the  
17 personal electronic mailing address described in  
18 subparagraph (A)(ii) and shall update the bor-  
19 rower's contact information as necessary to en-  
20 sure that the information remains accurate.”;  
21 and

22 (5) by adding at the end the following:

23 “(n) ADDITIONAL NOTIFICATIONS AND COUNSELING  
24 FOR BORROWERS.—

1           “(1) ANNUAL NOTIFICATIONS.—Each eligible  
 2 institution shall, not less than once every year while  
 3 a student is enrolled in the institution, carry out the  
 4 notification requirements described in subparagraphs  
 5 (A) through (G) with respect to a borrower of a loan  
 6 made, insured, or guaranteed under part B (other  
 7 than a loan made pursuant to section 428C) or  
 8 made under part D (other than a Federal Direct  
 9 Consolidation Loan). Such notification requirements  
 10 may be fulfilled by notifications provided at the  
 11 same time as existing methods of communication,  
 12 such as by accompanying the annual financial aid  
 13 award letter, subject to subparagraph (E).

14           “(A) STUDENT LOAN BALANCE; LOAN  
 15 TERMS.—The eligible institution shall provide  
 16 the borrower with a written notification of—

17                   “(i) the borrower’s outstanding bal-  
 18 ance of principal and interest owing on any  
 19 loan made, insured, or guaranteed under  
 20 this title;

21                   “(ii) the borrower’s repayment op-  
 22 tions;

23                   “(iii) a disclosure that Federal stu-  
 24 dent loans offer generally more favorable  
 25 terms and beneficial repayment options

1           than private education loans, an expla-  
 2           nation of the difference and relevance be-  
 3           tween student loans with a fixed interest  
 4           rate as compared to student loans with a  
 5           variable interest rate, and a recommenda-  
 6           tion that students examine available Fed-  
 7           eral student loan options before applying  
 8           for private education loans; and

9           “(iv) the explanation of the benefits  
 10          provided under Federal student loans de-  
 11          veloped by the Secretary under section  
 12          483A(b).

13          “(B) FEDERAL DIRECT STAFFORD LOAN  
 14          ELIGIBILITY.—In addition to the notifications  
 15          under subparagraph (A) and under subpara-  
 16          graph (C), if applicable, in the case of a bor-  
 17          rower described in paragraph (1) who qualifies  
 18          for a Federal Direct Stafford Loan and who  
 19          was a new borrower on or after July 1, 2013,  
 20          the institution shall provide—

21               “(i) a written notification of the pe-  
 22               riod of time that the borrower has remain-  
 23               ing before the borrower will not be eligible  
 24               for a Federal Direct Stafford Loan in ac-  
 25               cordance with section 455(q) because the

1 period of time for which the borrower has  
2 received Federal Direct Stafford Loans, in  
3 the aggregate, exceeds the period of enroll-  
4 ment described in section 455(q)(3); and

5 “(ii) a written notification to such  
6 student when the period of time for which  
7 the borrower has received Federal Direct  
8 Stafford Loans, in the aggregate,  
9 reaches—

10 “(I) except as provided in sub-  
11 clause (II) or (III), a period equal to  
12 100 percent of the published length of  
13 the educational program in which the  
14 student is enrolled;

15 “(II) in the case of a borrower  
16 who was previously enrolled in 1 or  
17 more other educational programs that  
18 began on or after July 1, 2013, a pe-  
19 riod equivalent to  $\frac{2}{3}$  of the maximum  
20 period of time that the borrower is eli-  
21 gible to receive a Federal Direct Staf-  
22 ford Loan, as calculated in accordance  
23 with section 455(q)(3)(A)(ii); or

24 “(III) in the case of a borrower  
25 who was or is enrolled on less than a

1 full-time basis or in the case of a bor-  
2 rower whose course of study or pro-  
3 gram is described in paragraph (3)(B)  
4 or (4)(B) of section 484(b), a period  
5 equivalent to  $\frac{2}{3}$  of the maximum pe-  
6 riod of time that the borrower is eligi-  
7 ble to receive a Federal Direct Staf-  
8 ford Loan, as calculated in accordance  
9 with section 455(q)(3)(B).

10 “(C) FEDERAL PELL GRANT ELIGI-  
11 BILITY.—In addition to the notifications under  
12 subparagraph (A) and under subparagraph (B),  
13 if applicable, in the case of a borrower de-  
14 scribed in paragraph (1) who is receiving a  
15 Federal Pell Grant, the institution shall provide  
16 a written notification to such borrower of the  
17 student’s remaining period of eligibility for a  
18 Federal Pell Grant in accordance with section  
19 401(c)(5).

20 “(D) CONFIRMATION OF RECEIPT OF NO-  
21 TIFICATION.—Each eligible institution shall re-  
22 quire the borrower, for each applicable notifica-  
23 tion described in this paragraph, to provide  
24 written confirmation (including through elec-  
25 tronic means) that the borrower has received

1 the notification and understands the informa-  
 2 tion contained in that notification.

3 “(E) NOTIFICATIONS BY CERTAIN INSTI-  
 4 TUTIONS.—In the case of an institution de-  
 5 scribed in paragraph (2), the notification re-  
 6 quirements under this paragraph (including the  
 7 confirmation of notification described in sub-  
 8 paragraph (D)) shall be carried out annually  
 9 during the interim in-school counseling de-  
 10 scribed in paragraph (2).

11 “(F) ADDITIONAL LOAN COUNSELING RE-  
 12 QUIREMENTS FOR CERTAIN STUDENT BOR-  
 13 ROWERS.—

14 “(i) BORROWERS IN NEED OF ADDI-  
 15 TIONAL LOAN COUNSELING.—A borrower  
 16 shall be subject to the requirements de-  
 17 scribed in clause (iii) if—

18 “(I) the borrower has a loan  
 19 made, insured, or guaranteed under  
 20 part B (other than a loan made pur-  
 21 suant to section 428C or a loan made  
 22 on behalf of a student pursuant to  
 23 section 428B) or made under part D  
 24 (other than a Federal Direct Consoli-  
 25 dation Loan or a Federal Direct

1 PLUS loan made on behalf of a stu-  
2 dent); and

3 “(II)(aa) the borrower has trans-  
4 ferred to the institution from another  
5 institution of higher education; or

6 “(bb) the borrower meets certain  
7 criteria that may place a borrower at  
8 greater risk of defaulting on student  
9 loans.

10 “(ii) DETERMINATION MADE BY SEC-  
11 RETARY.—The Secretary shall determine  
12 any appropriate criteria to be used in  
13 clause (i)(II)(bb), such as withdrawing pre-  
14 maturely from an educational program or  
15 being in danger of failing to meet stand-  
16 ards of academic progress. Nothing in this  
17 subparagraph shall be construed to allow  
18 an institution to select any criteria for pur-  
19 poses of such clause.

20 “(iii) ADDITIONAL COUNSELING.—  
21 Each eligible institution shall require each  
22 borrower described in clause (i) to partici-  
23 pate in an additional loan counseling ses-  
24 sion, which shall—

1 “(I) be coordinated jointly by the  
 2 student’s academic advisor and the fi-  
 3 nancial aid office of the institution;

4 “(II) include disclosure of the es-  
 5 timated additional cost of attendance  
 6 that the borrower may incur by failing  
 7 to progress through the borrower’s  
 8 educational program at a pace that  
 9 meets the requirements for satisfac-  
 10 tory progress, as described in section  
 11 484(c); and

12 “(III) in the case of a borrower  
 13 described in clause (i)(II)(bb), include  
 14 the development of an institutionally  
 15 approved academic plan designed to  
 16 ensure that the borrower will complete  
 17 the borrower’s educational program  
 18 within a reasonable timeframe.

19 “(G) COUNSELING FOR PARENT PLUS BOR-  
 20 ROWERS.—

21 “(i) IN GENERAL.—Each eligible insti-  
 22 tution shall, prior to disbursement of a  
 23 Federal Direct PLUS loan made on behalf  
 24 of a student, ensure that the borrower re-  
 25 ceives comprehensive information on the

1 terms and conditions of the loan and of the  
2 responsibilities the borrower has with re-  
3 spect to such loan. Such information—

4 “(I) shall be provided through  
5 the use of interactive programs that  
6 use mechanisms to check the bor-  
7 rower’s understanding of the terms  
8 and conditions of the borrower’s loan,  
9 using simple and understandable lan-  
10 guage and clear formatting; and

11 “(II) shall be provided—

12 “(aa) during a counseling  
13 session conducted in person; or

14 “(bb) online.

15 “(ii) INFORMATION TO BE PRO-  
16 VIDED.—The information to be provided to  
17 the borrower under clause (i) shall include  
18 the following:

19 “(I) Information on how interest  
20 accrues and is capitalized during peri-  
21 ods when the interest is not paid by  
22 the borrower.

23 “(II) An explanation of when  
24 loan repayment begins, of the options  
25 available for a borrower who may need

1 a deferment, and that interest accrues  
2 during a deferment.

3 “(III) The repayment plans that  
4 are available to the borrower, includ-  
5 ing personalized information show-  
6 ing—

7 “(aa) estimates of the bor-  
8 rower’s anticipated monthly pay-  
9 ments under each repayment  
10 plan that is available; and

11 “(bb) the difference in inter-  
12 est paid and total payments  
13 under each repayment plan.

14 “(IV) The obligation of the bor-  
15 rower to repay the full amount of the  
16 loan, regardless of whether the stu-  
17 dent on whose behalf the loan was  
18 made completes the program in which  
19 the student is enrolled.

20 “(V) The likely consequences of  
21 default on the loan, including adverse  
22 credit reports, delinquent debt collec-  
23 tion procedures under Federal law,  
24 and litigation.

1                   “(VI) A notification that the loan  
 2                   is not eligible for an income-based re-  
 3                   payment plan under section 493C.

4                   “(VII) The name and contact in-  
 5                   formation of the individual the bor-  
 6                   rower may contact if the borrower has  
 7                   any questions about the borrower’s  
 8                   rights and responsibilities or the  
 9                   terms and conditions of the loan.

10               “(2) INTERIM IN-SCHOOL COUNSELING RE-  
 11               QUIREMENTS FOR INSTITUTIONS WITH GREATER  
 12               THAN AVERAGE STUDENT DEFAULT RISK.—Each eli-  
 13               gible institution that has a student default risk that  
 14               is greater than the national average student default  
 15               risk (as determined by the Secretary), shall require  
 16               each borrower of a loan made, insured, or guaran-  
 17               teed under part B (other than a loan made pursuant  
 18               to section 428C or a loan made on behalf of a stu-  
 19               dent pursuant to section 428B) or made under part  
 20               D (other than a Federal Direct Consolidation Loan  
 21               or a Federal Direct PLUS loan made on behalf of  
 22               a student), to undertake not less than 1 online or in-  
 23               person counseling session at the beginning of each  
 24               academic year that the borrower is enrolled at such  
 25               institution, which shall include—

1           “(A) the applicable notification require-  
2           ments described in paragraph (1); and

3           “(B) a statement that student loans must  
4           be repaid even if the student does not complete  
5           the program in which the student enrolled.

6           “(o) REQUIRED DATA.—In any case where an insti-  
7           tution needs data to comply with subsection (b), (l), or  
8           (n) that are not available to the institution but that are  
9           available to the Department or a Federal agency, the Sec-  
10          retary or the head of such agency shall provide or make  
11          available such information to the institution.

12          “(p) REPORTS RELATING TO CLINICAL TRAINING  
13          PROGRAMS.—

14                 “(1) REPORT ON CLINICAL TRAINING PROGRAM  
15          AGREEMENTS.—

16                 “(A) IN GENERAL.—Beginning in the year  
17                 in which the Higher Education Affordability  
18                 Act is enacted, an eligible institution that par-  
19                 ticipates in any program under this title shall  
20                 prepare and submit a report to the Secretary  
21                 containing the information described in sub-  
22                 paragraph (C), for every year in which the eligi-  
23                 ble institution has an agreement with a hospital  
24                 or health facility, through which—

1           “(i) the eligible institution agrees to  
2           provide funding or other benefits to the  
3           hospital or health facility; and

4           “(ii) that hospital or health facility  
5           provides opportunities for students at the  
6           institution to participate in a clinical train-  
7           ing program.

8           “(B) TIMING.—Following the year in  
9           which the Higher Education Affordability Act is  
10          enacted, the report described in this paragraph  
11          shall be submitted not more than 30 days after  
12          the end of any year for which a report is re-  
13          quired to comply with subparagraph (A).

14          “(C) CONTENTS OF REPORT.—The report  
15          described in this paragraph shall include the  
16          following:

17               “(i) The amount of any payments  
18               from the institution of higher education to  
19               a hospital or health facility during the pe-  
20               riod covered by the report, and the precise  
21               terms of any agreement under which such  
22               amounts are determined.

23               “(ii) Any conditions associated with  
24               the transfer of money or the provision of  
25               clinical training program opportunities

1           that are part of the agreement described in  
2           subparagraph (A).

3           “(iii) Any memorandum of under-  
4           standing between the institution of higher  
5           education, or an alumni association or  
6           foundation affiliated with or related to  
7           such institution, and a hospital or health  
8           facility, that directly or indirectly relates to  
9           any aspect of any agreement referred to in  
10          subparagraph (A) or controls or directs  
11          any obligations or distribution of benefits  
12          between or among any such entities.

13          “(iv) For each hospital or health facil-  
14          ity that has an agreement described in  
15          subparagraph (A) with the institution, the  
16          number of clinical training positions at the  
17          hospital or health facility that are reserved  
18          for students at that institution.

19          “(2) REPORT ON CHARITABLE DONATIONS.—

20          “(A) IN GENERAL.—Beginning in the year  
21          in which the Higher Education Affordability  
22          Act is enacted, and annually thereafter, an eli-  
23          gible institution shall prepare and submit to the  
24          Secretary a report containing the information  
25          described in subparagraph (C) if—

1           “(i) the eligible institution made a  
2           charitable donation to a hospital or health  
3           facility in any of the previous 3 years; and

4           “(ii) the number of students from the  
5           eligible institution who participate in any  
6           clinical training program at the hospital or  
7           health facility where such a donation was  
8           made increases by more than 5 students or  
9           10 percent, whichever is less, as compared  
10          to the number of such students who par-  
11          ticipated in a clinical training program at  
12          that hospital or health facility during the  
13          first year in the previous 3-year period.

14          “(B) TIMING.—Following the year in  
15          which the Higher Education Affordability Act is  
16          enacted, the report described in subparagraph  
17          (A) shall be submitted not more than 30 days  
18          after the end of any year for which a report is  
19          required to comply with subparagraph (A).

20          “(C) CONTENTS OF REPORT.—The report  
21          described in this paragraph shall include the  
22          following:

23                 “(i) The amount of each charitable  
24                 donation that was made in the previous 3-

1 year period by the eligible institution to a  
2 hospital or health facility.

3 “(ii) The number of students from the  
4 eligible institution who participate in any  
5 clinical training program at the hospital or  
6 health facility where each such donation  
7 was made—

8 “(I) during the year in which the  
9 report is submitted; and

10 “(II) during the first year in the  
11 previous 3-year period covered by the  
12 report.

13 “(3) AGGREGATION BY INSTITUTION.—The in-  
14 formation required to be reported in this subsection  
15 shall include, and shall be aggregated with respect  
16 to, each institution of higher education and each  
17 alumni association or foundation affiliated with or  
18 related to such institution. For any year in which an  
19 institution is required to submit a report described  
20 under paragraph (1) and a report described under  
21 paragraph (2), the institution may submit a single  
22 report for that year containing all of the information  
23 required under paragraphs (1) and (2).

24 “(4) REPORT TO CONGRESS.—The Secretary, in  
25 conjunction with the Secretary of Health and

1 Human Services, shall submit to Congress, and  
2 make available to the public, an annual report that  
3 lists the reports submitted to the Secretary by each  
4 institution of higher education in accordance with  
5 this subsection.

6 “(5) PUBLIC DISCLOSURE.—Each eligible insti-  
7 tution described in paragraph (1) or (2) of this sub-  
8 section shall make readily available the reports de-  
9 scribed in such paragraph (as applicable), through  
10 appropriate publications, mailings, and electronic  
11 media to the general public.

12 “(6) DEFINITIONS.—In this subsection:

13 “(A) CLINICAL TRAINING PROGRAM.—The  
14 term ‘clinical training program’ means any pro-  
15 gram at, or associated or affiliated with, a hos-  
16 pital or health facility (or any of a hospital’s af-  
17 filiates or health facility’s affiliates), the com-  
18 pletion of which fulfills a requirement that is  
19 necessary to receive a license, certificate, spe-  
20 cialized accreditation, or other academically re-  
21 lated pre-condition necessary under Federal or  
22 State law for a health profession.

23 “(B) HEALTH FACILITY.—The term  
24 ‘health facility’ has the meaning given that  
25 term in section 804(d).

1                   “(C) HOSPITAL.—The term ‘hospital’ has  
2                   the meaning given that term in section 1861 of  
3                   the Social Security Act (42 U.S.C. 1395x).”.

4           (b) EFFECT ON CHANGES TO CAMPUS SAFETY PRO-  
5 VISIONS ON OTHER LAWS.—Nothing in the amendments  
6 made by subsection (a)(3), shall be construed to invalidate  
7 or limit rights, remedies, procedures, or legal standards  
8 available to victims of discrimination under any other Fed-  
9 eral law or law of a State or political subdivision of a  
10 State, including title VI of the Civil Rights Act of 1964  
11 (42 U.S.C. 2000d et seq.), title IX of the Education  
12 Amendments of 1972 (20 U.S.C. 1681 et seq.), section  
13 504 or 505 of the Rehabilitation Act of 1973 (29 U.S.C.  
14 794, 794a), or the Americans with Disabilities Act of 1990  
15 (42 U.S.C. 12101 et seq.). The obligations imposed by this  
16 Act are in addition to those imposed by title VI of the  
17 Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title  
18 IX of the Education Amendments of 1972 (20 U.S.C.  
19 1681 et seq.), section 504 of the Rehabilitation Act of  
20 1973 (29 U.S.C. 794), and the Americans with Disabil-  
21 ities Act of 1990 (42 U.S.C. 12101 et seq.).

22           (c) EFFECTIVE DATE FOR TERMINATION OF IN-  
23 COME-SENSITIVE REPAYMENT PLAN REFERENCE.—The  
24 amendment made by subsection (a)(2) shall take effect on

1 the date that is 1 year after the date of enactment of this  
2 Act.

3 **SEC. 487. IMPROVEMENTS TO NATIONAL STUDENT LOAN**  
4 **DATA SYSTEM.**

5 (a) AMENDMENTS.—Section 485B (20 U.S.C.  
6 1092b) is amended—

7 (1) in subsection (a), by inserting “and loans  
8 made or insured under part A of title VII, or part  
9 E of title VIII, of the Public Health Service Act (42  
10 U.S.C. 292 et seq., 296 et seq.),” after “parts D  
11 and E,”; and

12 (2) by striking subsection (h) and inserting the  
13 following:

14 “(h) INTEGRATION OF DATABASES.—

15 “(1) IN GENERAL.—The Secretary shall inte-  
16 grate the National Student Loan Data System with  
17 the Federal Pell Grant applicant and recipient data-  
18 bases as of January 1, 1994, and any other data-  
19 bases containing information on participation in pro-  
20 grams under this title.

21 “(2) DEPARTMENT OF DEFENSE AND DEPART-  
22 MENT OF VETERANS AFFAIRS INFORMATION.—

23 “(A) IN GENERAL.—In order to incor-  
24 porate the military and veteran status of bor-  
25 rowers into the National Student Loan Data

1           System, the Secretary shall integrate the Na-  
2           tional Student Loan Data System with informa-  
3           tion from—

4                   “(i) the Department of Defense, in-  
5                   cluding the Defense Manpower Data Cen-  
6                   ter; and

7                   “(ii) the Department of Veterans Af-  
8                   fairs, including data about veterans who  
9                   are eligible for educational assistance  
10                  under laws administered by the Secretary  
11                  of Veterans Affairs.

12                 “(B) MEMORANDA OF UNDERSTANDING.—

13                 The Secretary shall enter into any memoranda  
14                 of understanding or other agreements that are  
15                 necessary to carry out this paragraph.”; and

16                 (3) by adding at the end the following:

17                 “(i) PUBLIC HEALTH SERVICE LOANS.—The Sec-  
18                 retary shall include in the National Student Loan Data  
19                 System established pursuant to subsection (a) information  
20                 regarding loans made under—

21                   “(1) subpart II of part A of title VII of the  
22                   Public Health Service Act; or

23                   “(2) part E of title VIII of the Public Health  
24                   Service Act.

1       “(j) PRIVATE EDUCATION LOAN INFORMATION.—  
2   The Secretary shall include in the National Student Loan  
3   Data System established pursuant to subsection (a) the  
4   information regarding private education loans that is de-  
5   termined necessary by the Director of the Bureau of Con-  
6   sumer Financial Protection, in coordination with the Sec-  
7   retary, to be included pursuant to section 128(e)(13) of  
8   the Truth in Lending Act (15 U.S.C. 1638(e)(13)).”.

9       (b) REPORTS.—

10           (1) PLAN.—Not later than 90 days after the  
11   date of the enactment of this Act, the Secretary of  
12   Education shall submit to the appropriate commit-  
13   tees of Congress a report that includes a plan to im-  
14   plement the Department of Defense and Department  
15   of Veterans Affairs data integration provision de-  
16   scribed under section 485B(h)(2) of the Higher  
17   Education Act of 1965, as amended by subsection  
18   (a)(2).

19           (2) FOLLOW-UP REPORT.—If the Secretary of  
20   Education has not implemented the Department of  
21   Defense and Department of Veterans Affairs data  
22   integration provision described under section  
23   485B(h)(2) of the Higher Education Act of 1965, as  
24   amended by subsection (a)(2), by the date that is 1  
25   year after the date of enactment of this Act, the

1 Secretary of Education shall submit, by such date,  
 2 a report that includes an explanation of why such  
 3 provision has not been implemented.

4 **SEC. 488. COMPETENCY-BASED EDUCATION DEMONSTRATION PROGRAM.**  
 5

6 Part G of title IV (20 U.S.C. 1088 et seq.) is further  
 7 amended by inserting after section 486A the following:

8 **“SEC. 486B. COMPETENCY-BASED EDUCATION DEMONSTRATION PROGRAM.**  
 9

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

11 “(1) to allow a demonstration program that is  
 12 monitored by the Secretary to explore ways of delivering  
 13 education and disbursing student financial aid  
 14 that are based on demonstrating competencies rather  
 15 than credit hours;

16 “(2) to potentially lower the cost of postsecondary  
 17 education and reduce the time needed to attain a postsecondary degree; and  
 18

19 “(3) to help determine—

20 “(A) the specific statutory and regulatory  
 21 requirements that should be modified to provide  
 22 greater access to high-quality competency-based  
 23 education programs, which may be independent  
 24 of, or combined with, traditional credit hour or  
 25 clock hour programs;

1           “(B) the most effective means of delivering  
2 competency-based education; and

3           “(C) the appropriate level and distribution  
4 methodology of Federal assistance for students  
5 enrolled in competency-based education.

6       “(b) DEFINITIONS.—In this section:

7           “(1) COMPETENCY-BASED EDUCATION.—The  
8 term ‘competency-based education’ means an aca-  
9 demic program that—

10           “(A) uses direct assessment of learning for  
11 any of its components as a substitute for tradi-  
12 tional coursework measured in credit-hours; and

13           “(B) upon successful completion, results in  
14 the attainment of a 2-year or 4-year postsec-  
15 ondary degree or certificate.

16           “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
17 tity’ means any of the following:

18           “(A) An institution of higher education, as  
19 defined in section 101, that is eligible to partici-  
20 pate in programs under this title.

21           “(B) A consortia of institutions of higher  
22 education that meet the requirements in sub-  
23 paragraph (A).

24       “(c) DEMONSTRATION PROGRAMS AUTHORIZED.—

1           “(1) IN GENERAL.—The Secretary shall carry  
2           out a competency-based education demonstration  
3           program under which the Secretary selects, in ac-  
4           cordance with subsection (e), eligible entities to par-  
5           ticipate and receive waivers described in paragraph  
6           (2), in order to enable the eligible entities to offer  
7           competency-based education programs.

8           “(2) WAIVERS.—

9                   “(A) IN GENERAL.—The Secretary may  
10           waive, for an eligible entity participating in the  
11           demonstration program under this section, any  
12           requirement of subsections (a) and (f) of sec-  
13           tion 481 as such subsections relate to require-  
14           ments under this Act for a minimum number of  
15           weeks of instruction (including any regulation  
16           promulgated under such subsections).

17                   “(B) ADDITIONAL REQUIREMENTS ELIGI-  
18           BLE FOR WAIVER.—

19                   “(i) IN GENERAL.—In addition to any  
20           waiver authorized under subparagraph (A),  
21           the Secretary may waive any requirements  
22           described in clause (ii) for an eligible enti-  
23           ty that requests such a waiver in the appli-  
24           cation submitted under subsection (d), if—

1                   “(I) the Secretary determines  
2                   that the eligible entity has proposed a  
3                   high-quality plan for competency-  
4                   based education that requires such  
5                   waiver;

6                   “(II) the eligibility entity has  
7                   provided equivalent metrics to each of  
8                   the requirements described in clause  
9                   (ii) for which the eligible entity is  
10                  seeking a waiver; and

11                  “(III) the Secretary has certified  
12                  that all requirements being waived  
13                  have such high-quality equivalents.

14                  “(ii) DESCRIPTION OF ADDITIONAL  
15                  REQUIREMENTS.—Requirements described  
16                  in this clause are requirements under this  
17                  part, part F, or title I (including any regu-  
18                  lations promulgated under such parts or  
19                  title) that inhibits the operation of com-  
20                  petency-based education, related to—

21                         “(I) minimum weeks of instruc-  
22                         tional time;

23                         “(II) credit hour or clock hour  
24                         equivalencies; and

1 “(III) the definitions of the terms  
2 ‘academic year’, ‘full-time student’,  
3 ‘standard term’, ‘non-term’, ‘non-  
4 standard term’, ‘term’, ‘satisfactory  
5 academic progress’, ‘educational activ-  
6 ity’, ‘program of study’, and ‘payment  
7 period’.

8 “(d) APPLICATION.—

9 “(1) IN GENERAL.—Each eligible entity desir-  
10 ing to participate in the demonstration program  
11 under this section shall submit to the Secretary an  
12 application at such time, in such manner, and con-  
13 taining such information as the Secretary shall re-  
14 quire.

15 “(2) CONTENTS.—Each application submitted  
16 under paragraph (1) shall include—

17 “(A) a description of the competency-based  
18 education to be offered by the eligible entity  
19 through the demonstration program;

20 “(B) a detailed description of the proposed  
21 academic delivery, business, and financial mod-  
22 els to be used in the program, including brief  
23 explanations of how the program’s approach  
24 would result in the achievement and assessment

1 of competencies and how the approach would  
2 differ from standard credit hour approaches;

3 “(C)(i) a summary of the evidence-based  
4 analysis of the financial impact of the proposed  
5 program on the institution, its prospective stu-  
6 dents, and the Federal government; and

7 “(ii) a written assurance that—

8 “(I) the summary presented to the  
9 Secretary is a good-faith representation of  
10 all the information available to the institu-  
11 tion at the time of the application; and

12 “(II) all material internal analyses  
13 and supporting data used in the summary  
14 shall be retained and made available to the  
15 Secretary upon request for a period of not  
16 less than 5 years after the approval of the  
17 proposed program;

18 “(D) a written assurance that the program  
19 fully conforms to the institution’s academic  
20 policies, and that any degrees or certificates  
21 conferred through the program shall be equiva-  
22 lent to the institution’s traditional degrees or  
23 certificates;

1           “(E) documentation of approval of the  
2 competency-based demonstration program from  
3 a regional accrediting agency or association;

4           “(F) a description of the statutory and  
5 regulatory requirements described in subsection  
6 (c)(2) for which a waiver is sought, the reasons  
7 for which each such waiver is sought, and how  
8 the institution proposes to mitigate any risks to  
9 students or the Federal Government as a result  
10 of the waiver;

11           “(G) a description of the entity’s proposal  
12 for determining a student’s Federal student aid  
13 eligibility under this title and awarding and dis-  
14 tributing such aid, including safeguards to en-  
15 sure that students are making satisfactory  
16 progress that warrants disbursement of such  
17 aid, and an explanation of how the proposal en-  
18 sures that the program does not require the ex-  
19 penditure of additional Federal funding beyond  
20 what the student is eligible for;

21           “(H) a description of the students to  
22 whom competency-based education will be of-  
23 fered, including an assurance that the eligible  
24 entity will include a minimum of 100 and a

1 maximum of 2,000 eligible students as part of  
2 the program;

3 “(I) a description of the goals the entity  
4 hopes to achieve through the use of com-  
5 petency-based education, including evidence-  
6 based estimates of cost savings to the institu-  
7 tion, students, and the Federal Government as  
8 a direct result of the delivery method being pro-  
9 posed;

10 “(J) a description of how the entity plans  
11 to maintain program quality and integrity, con-  
12 sistent with part H;

13 “(K) an assurance that the entity will fully  
14 cooperate with the ongoing evaluations of the  
15 demonstration program under subsection (f)(3);

16 “(L) an assurance that the entity will not  
17 require the expenditure of additional Federal  
18 funding to implement the proposed program;

19 “(M) an evidence-based estimate of the  
20 percentage of students the program would en-  
21 roll whom the institution estimates will success-  
22 fully complete the program, satisfy all academic  
23 requirements, and attain the academic creden-  
24 tial the program is intended to confer;

“(N) a written assurance that the eligible entity will comply with section 444 of the General Education Provisions Act (commonly referred to as the ‘Family Educational Rights and Privacy Act of 1974’) by agreeing to obtain a signed consent form from each student who will participate in the program, before the student enrolls in the program or receives Federal student financial aid under this title for the program, that will allow the Secretary to conduct an evaluation of the program’s effectiveness, including its impact on post-enrollment earnings through matching data with other Federal agencies, as long as—

“(i) no information from the student’s education record would be permanently stored with any other Federal agency; and

“(ii) no student’s personally identifiable information would be publicly disclosed; and

“(O) such other information as the Secretary may require.

“(e) SELECTION.—

“(1) IN GENERAL.—Not later than 180 days after the date of enactment of the Higher Education

1       Affordability Act, the Secretary shall select not more  
2       than 15 eligible entities to participate in the dem-  
3       onstration program under this section.

4               “(2) CONSIDERATIONS.—In selecting eligible  
5       entities to participate in the demonstration program  
6       under this section, the Secretary shall—

7                       “(A) not select any eligible entity for which  
8                       the estimated percentage of students in the pro-  
9                       posed program expected to complete their de-  
10                      gree, as provided in the application under sub-  
11                      section (d)(2)(O), is lower than the percentage  
12                      of students enrolled in traditional academic pro-  
13                      grams at the institution that complete their de-  
14                      gree or program of study;

15                     “(B) consider the number and quality of  
16                     applications received;

17                     “(C) consider the eligible entity’s—

18                               “(i) demonstrated quality, as meas-  
19                               ured through outcome-based metrics of  
20                               student success;

21                               “(ii) financial responsibility;

22                               “(iii) administrative capability, includ-  
23                               ing the ability to successfully execute the  
24                               program as described;

1           “(iv) commitment and ability to effec-  
2           tively finance a demonstration program as  
3           proposed;

4           “(v) demonstrated administrative ca-  
5           pability and expertise to evaluate learning  
6           based on measures other than credit hours  
7           or clock hours;

8           “(vi) commitment to allow random as-  
9           signment and collection of school records  
10          of eligible program applicants, in full com-  
11          pliance with section 444 of the General  
12          Education Provisions Act (commonly re-  
13          ferred to as the ‘Family Educational  
14          Rights and Privacy Act of 1974’), if nec-  
15          essary, in order to allow for the evaluation  
16          of program impacts described in subsection  
17          (f)(2)(B); and

18          “(vii) ability to translate competencies  
19          to traditional credit hours to help facilitate  
20          the ability of students participating in the  
21          demonstration project to transfer to an-  
22          other institution of higher education if the  
23          student so desires;

24          “(D) ability to offer a financial guarantee  
25          to assume all Federal loans made under part D

1 to students who demonstrate that the education  
2 received did not lead to improved employment  
3 prospects;

4 “(E) consider the Department’s capacity to  
5 oversee and monitor each eligible institution’s  
6 participation; and

7 “(F) ensure the participation of a diverse  
8 group of institutions of higher education (in-  
9 cluding institutions within eligible entities de-  
10 scribed in subparagraph (B) or (C) of sub-  
11 section (b)(2)) with respect to size, mission, and  
12 geographic distribution of the institutions.

13 “(3) NOTIFICATION.—Not later than 180 days  
14 after the date of enactment of the Higher Education  
15 Affordability Act, the Secretary shall make available  
16 to the authorizing committees, and to the public  
17 through the Department’s website, a list of the eligi-  
18 ble entities selected to participate in the demonstra-  
19 tion program under this section. Such list shall in-  
20 clude, for each such eligible entity, the specific statu-  
21 tory and regulatory requirements that the Secretary  
22 is waiving for the program and a description of the  
23 competency-based education courses to be offered.

24 “(f) EVALUATIONS AND REPORTS.—

1           “(1) ELIGIBLE ENTITY REPORT.—Each eligible  
2           entity that participates in the demonstration pro-  
3           gram under this section shall prepare and submit to  
4           the Secretary an annual report that includes all of  
5           the following:

6                   “(A) For each student participating in the  
7                   competency-based education program offered by  
8                   the eligible entity—

9                           “(i) the number of postsecondary  
10                          credit hours the student had earned prior  
11                          to enrollment in the program;

12                           “(ii) the period of time between the  
13                          admission of the student in the program  
14                          and the first assessment of the student’s  
15                          learning;

16                           “(iii) the number of credits or com-  
17                          petencies and progress towards completion  
18                          that the student acquired through the pro-  
19                          gram and the period of time during which  
20                          the student acquired such credits, com-  
21                          petencies, and made such progress;

22                           “(iv) an identification of whether the  
23                          student is participating in the program  
24                          and only receiving competency-based edu-  
25                          cation or participating in the program

1 while also taking courses offered in credit  
2 or clock hours;

3 “(v) the percentage of assessments of  
4 student learning that the student passed  
5 on the first attempt, during the period of  
6 the student’s participation in the program;  
7 and

8 “(vi) the percentage of assessments of  
9 student learning that the student passed  
10 on the second attempt, and the average pe-  
11 riod of time between the student’s first and  
12 second attempts, during the period of the  
13 student’s participation in the program.

14 “(B) The rates of retention in the program  
15 for participating students, for each 6-month pe-  
16 riod of the program.

17 “(C) Graduation rates for participating  
18 students and the average period of time for de-  
19 gree completion by a student participating in  
20 the program, disaggregated based on student  
21 status as a first-year, second-year, third-year,  
22 or fourth-year student when the student en-  
23 rolled in the program and status with respect to  
24 participating in courses offered in credit or

1 clock hours while also participating in com-  
 2 petency-based education.

3 “(D) Issues related to awarding and dis-  
 4 bursing student financial assistance for com-  
 5 petency-based education.

6 “(E) The job placement rates of all stu-  
 7 dents who participated in the program, as  
 8 measured in the second fiscal year after the  
 9 completion of the program. The Secretary may  
 10 offer guidance for the purposes of making this  
 11 calculation.

12 “(F) An analysis of the mean debt to earn-  
 13 ings ratio, and the mean debt to discretionary  
 14 earnings ratio, of the students who participated  
 15 in the program, as measured in the second fis-  
 16 cal year after the completion of the program—

17 “(i) in the aggregate and  
 18 disaggregated for students who earned the  
 19 degree or credential and students who did  
 20 not earn the degree or credential; and

21 “(ii) calculated for each quintile of  
 22 students, based on the salary of the stu-  
 23 dents after participation in the program.

24 “(G) A compilation of quality reviews by  
 25 students who participated in the program.

1           “(H) Such other information as the Sec-  
2           retary may require.

3           “(2) EVALUATION.—The Secretary shall—

4           “(A) in the aggregate, annually evaluate  
5           the program offered by each eligible entity par-  
6           ticipating in the demonstration program under  
7           this section to review—

8                   “(i) the extent to which the eligible  
9                   entity has met the goals set forth in its ap-  
10                  plication under subsection (d), including  
11                  the progress of the eligible entity based on  
12                  the measures of program quality assur-  
13                  ance;

14                  “(ii) the number and types of stu-  
15                  dents participating in the competency-  
16                  based education programs offered, includ-  
17                  ing the progress of participating students  
18                  toward recognized degrees and the extent  
19                  to which participation, postsecondary edu-  
20                  cation retention, postsecondary education  
21                  completion, employment after graduation,  
22                  and debt repayment increased or decreased  
23                  for participating students as compared to  
24                  the general postsecondary education stu-  
25                  dent population;

1                   “(iii) obstacles related to student fi-  
2                   nancial assistance for competency-based  
3                   education; and

4                   “(iv) the extent to which statutory or  
5                   regulatory requirements not waived under  
6                   the demonstration program present dif-  
7                   ficulties for students or institutions of  
8                   higher education; and

9                   “(B) acting through the Director of the In-  
10                  stitute of Education Sciences—

11                  “(i) evaluate the implementation and  
12                  impact of the activities allowed under this  
13                  section; and

14                  “(ii) identify promising practices re-  
15                  garding competency-based education and  
16                  disseminate research on these practices.

17                  “(3) ANNUAL REPORT.—The Secretary shall  
18                  annually prepare and submit to the authorizing com-  
19                  mittees a report that includes the following:

20                  “(A) The evaluations of the demonstration  
21                  programs required under paragraph (3).

22                  “(B) The number and types of students re-  
23                  ceiving assistance under this title who partici-  
24                  pate in competency-based education programs  
25                  supported under this section.

1           “(C) The postsecondary education reten-  
2           tion and completion rates of students partici-  
3           pating in such programs.

4           “(D) The job placement rates of partici-  
5           pating students, as measured 2 fiscal years  
6           after the completion of such programs.

7           “(E) An analysis of the mean debt to earn-  
8           ings ratio, and the mean debt to discretionary  
9           earnings ratio of the students who participated  
10          in the program, as measured in the second fis-  
11          cal year after the completion of the program—

12               “(i)     in     the     aggregate     and  
13               disaggregated for students who earned the  
14               degree or credential and students who did  
15               not the degree or credential; and

16               “(ii)  calculated for each quintile of  
17               students, based on the salary of the stu-  
18               dents after participation in the program.

19          “(F) Any statutory changes the Secretary  
20          would recommend that are designed to support  
21          and enhance the expansion of competency-based  
22          education.

23          “(G) Other such measures as determined  
24          by the Secretary.

1       “(g) OVERSIGHT.—In conducting the demonstration  
2 program under this section, the Secretary shall, on a con-  
3 tinuing basis—

4           “(1) ensure that eligible entities participating in  
5 the program comply with the requirements of this  
6 title (other than the requirements that are waived  
7 under subsection (c)(2));

8           “(2) provide technical assistance;

9           “(3) monitor fluctuations in the student popu-  
10 lation enrolled in the participating eligible entities;  
11 and

12           “(4) consult with appropriate accrediting agen-  
13 cies or associations and appropriate State regulatory  
14 authorities regarding the program.

15       “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
16 are authorized to be appropriated to carry out this section  
17 such sums as may be necessary for fiscal year 2015 and  
18 each of the five succeeding fiscal years.”.

19 **SEC. 489. PROGRAM PARTICIPATION AGREEMENTS.**

20       (a) SENSE OF THE SENATE REGARDING INCENTIVE  
21 COMPENSATION.—It is the sense of the Senate that—

22           (1) incentive compensation is an inappropriate  
23 mechanism in the delivery of higher education for in-  
24 stitutions of higher education wishing to participate

1 in programs under title IV of the Higher Education  
2 Act of 1965 (20 U.S.C. 1001 et seq.); and

3 (2) the ban on incentive compensation under  
4 section 487(a)(20) of the Higher Education Act of  
5 1965 (20 U.S.C. 1094(a)(20)), as amended by sub-  
6 section (b), is intended to preclude its use by institu-  
7 tions wishing to participate in such programs, at any  
8 point in the recruitment, enrollment, education, or  
9 employment placement of students.

10 (b) AMENDMENTS.—Section 487 (20 U.S.C. 1094) is  
11 amended—

12 (1) in subsection (a)—

13 (A) in paragraph (19), by inserting “hous-  
14 ing facilities,” after “libraries,”; and

15 (B) by striking paragraph (20) and insert-  
16 ing the following:

17 “(20)(A)(i) The institution or any third party  
18 acting on the institution’s behalf, including an insti-  
19 tution affiliate or service provider to the institution,  
20 will not provide any commission, bonus, or other in-  
21 centive payment to any person or entity at any  
22 phase of the academic process based directly or indi-  
23 rectly on success in—

24 “(I) securing enrollments or securing or  
25 awarding financial aid;

1                   “(II) performance in educational  
2 coursework;

3                   “(III) graduation;

4                   “(IV) job placement; or

5                   “(V) any other academic facet of a stu-  
6 dent’s enrollment in an institution of higher  
7 education.

8                   “(ii) The requirements of subparagraph (A)  
9 shall not apply to the recruitment of foreign stu-  
10 dents residing in foreign countries who are not eligi-  
11 ble to receive Federal student assistance.

12                   “(B) The institution affirmatively acknowledges  
13 that the provision of incentive compensation to em-  
14 ployees of institutions, institution affiliates, or serv-  
15 ice providers retained by the institution at any point  
16 in the recruitment, enrollment, education, or employ-  
17 ment placement of students is a prohibited activity  
18 under subparagraph (A)(i).

19                   “(C) The institution will provide, upon hiring  
20 an employee or contracting with a service provider,  
21 and not less than once per calendar year, official no-  
22 tice, on a form developed by the Secretary, to em-  
23 ployees and service providers (and employees of serv-  
24 ice providers) contracted by the institution of the

1 statutory and regulatory requirements pursuant to  
2 this section.

3 “(D) The institution will not enter into any  
4 contract with a third party acting on its behalf, in-  
5 cluding institution affiliates or service providers,  
6 that contains a revenue-sharing component premised  
7 in full or in any part on any practice described in  
8 subparagraph (A)(i).”;

9 (C) by striking paragraph (24) and insert-  
10 ing the following:

11 “(24) The institution certifies that the institu-  
12 tion—

13 “(A) has designated an appropriate staff  
14 person, who may also be a coordinator for other  
15 programs, as a single point of contact to assist  
16 homeless children and youths (as such term is  
17 defined in section 725 of the McKinney-Vento  
18 Homeless Assistance Act (42 U.S.C. 11434a))  
19 and foster care children and youth in accessing  
20 and completing postsecondary education;

21 “(B) posts public notice about student fi-  
22 nancial assistance and other assistance available  
23 to homeless children and youths and foster care  
24 children and youth, including their eligibility as

1 independent students under subparagraphs (B)  
2 and (H) of sections 480(d)(1);

3 “(C) has developed a plan for how home-  
4 less children and youths and foster care chil-  
5 dren and youth can access housing resources  
6 during and between academic terms, through  
7 means that may include access to on-campus  
8 housing during school breaks and a list of hous-  
9 ing resources in the community that provide  
10 short-term housing; and

11 “(D) has included in the institution’s ap-  
12 plication for admission questions (to be an-  
13 swered voluntarily) regarding the applicant’s  
14 status as a homeless child or youth or foster  
15 care child or youth, which the applicant can vol-  
16 untarily choose to answer for the limited pur-  
17 pose of being provided information about finan-  
18 cial aid or any other available assistance.”;

19 (i) in paragraph (25)(A)(ii), by strik-  
20 ing “subsection (e)” and inserting “sub-  
21 section (d)”;

22 (ii) in paragraph (27), by striking  
23 “subsection (h)” and inserting “subsection  
24 (g)”;

1 (D) by striking paragraph (28) and insert-  
2 ing the following:

3 “(28)(A) The institution shall—

4 “(i) upon the request of a private edu-  
5 cational lender, acting in connection with an ap-  
6 plication initiated by a borrower for a private  
7 education loan in accordance with section  
8 128(e)(3) of the Truth in Lending Act, pro-  
9 vide—

10 “(I) certification to such private edu-  
11 cational lender—

12 “(aa) that the student who initi-  
13 ated the application for the private  
14 education loan, or on whose behalf the  
15 application was initiated, is enrolled  
16 or is accepted for enrollment at the  
17 institution;

18 “(bb) of such student’s cost of  
19 attendance at the institution as deter-  
20 mined under part F of this title; and

21 “(cc) of the difference between—

22 “(AA) the cost of attendance  
23 at the institution; and

24 “(BB) the student’s esti-  
25 mated financial assistance re-

1                   ceived under this title, if the stu-  
2                   dent pursued such assistance,  
3                   and other assistance known to  
4                   the institution, as applicable; or

5                   “(II) in the case of a private edu-  
6                   cation loan that the institution may not  
7                   certify because the private education loan  
8                   does not meet the requirements described  
9                   in subsection (D), provide notice to the pri-  
10                  vate educational lender of the institution’s  
11                  refusal to certify the private education  
12                  loan; and

13                  “(ii) provide the certification described in  
14                  clause (i)(I), or notice of the refusal to provide  
15                  certification described in clause (i)(II), as the  
16                  case may be, or notify the creditor that the in-  
17                  stitution has received the request for certifi-  
18                  cation and will need additional time to comply  
19                  with the certification request—

20                  “(I) within 15 business days of receipt  
21                  of such certification request; and

22                  “(II) only after the institution has  
23                  completed the activities described in sub-  
24                  paragraph (B).

1           “(B) The institution shall, upon receipt of a  
2           certification request described in subparagraph  
3           (A)(i), and prior to providing the certification under  
4           subparagraph (A)(i)(I) or providing notice of the re-  
5           fusal to provide certification under subparagraph  
6           (A)(i)(II)—

7                   “(i) determine whether the student who  
8                   initiated the application for the private edu-  
9                   cation loan, or on whose behalf the application  
10                  was initiated, has applied for and exhausted the  
11                  Federal financial assistance available to such  
12                  student under this title and inform the student  
13                  accordingly; and

14                  “(ii) provide the student whose loan appli-  
15                  cation has prompted the certification request by  
16                  a private education lender, as described in sub-  
17                  paragraph (A)(i), with the following information  
18                  and disclosures:

19                          “(I) The availability of, and the stu-  
20                          dent’s potential eligibility for, Federal fi-  
21                          nancial assistance under this title, includ-  
22                          ing the explanation of the benefits provided  
23                          under Federal student loans developed by  
24                          the Secretary under section 483A(b).

1           “(II) The student’s ability to select a  
2           private educational lender of the student’s  
3           choice.

4           “(III) The impact of a proposed pri-  
5           vate education loan on the student’s poten-  
6           tial eligibility for other financial assistance,  
7           including Federal financial assistance  
8           under this title.

9           “(IV) The student’s right to accept or  
10          reject a private education loan within the  
11          30-day period following a private edu-  
12          cational lender’s approval of a student’s  
13          loan application and the right of a bor-  
14          rower of a private education loan to cancel  
15          the loan within a 3-day period, in accord-  
16          ance with paragraphs (6) and (7) of sec-  
17          tion 128(e) of the Truth in Lending Act.

18          “(C) For purposes of this paragraph, the term  
19          ‘private educational lender’ has the meaning given  
20          such term in section 140 of the Truth in Lending  
21          Act (15 U.S.C. 1650).

22          “(D) In the case of a private education loan  
23          that includes a cosigner, the institution shall not  
24          provide certification to a private educational lender  
25          under this paragraph unless the private educational

1 lender agrees to send a statement to the borrower's  
2 cosigner, annually notifying the cosigner of the  
3 terms, conditions, and status of such private edu-  
4 cation loan.”; and

5 (E) by adding at the end the following:

6 “(30)(A) The institution—

7 “(i) shall not include a predispute arbitra-  
8 tion agreement in any contract with a student  
9 or prospective student for enrollment at the in-  
10 stitution; and

11 “(ii) shall agree that, in any case where a  
12 contract for enrollment at the institution en-  
13 tered into by a student before the date of enact-  
14 ment of the Higher Education Affordability Act  
15 included a predispute arbitration agreement,  
16 such agreement shall be invalid and unenforce-  
17 able by the institution.

18 “(B) In this paragraph, the term ‘predispute  
19 arbitration agreement’ means any agreement to arbi-  
20 trate a dispute that had not yet arisen at the time  
21 of the making of the agreement.

22 “(31) The institution will provide the Secretary  
23 with any information that the Secretary requests in  
24 order to meet the default prevention requirements of  
25 section 435(a)(7).

1           “(32)(A) If the institution has a student default  
2           risk for a fiscal year, as calculated by the Secretary,  
3           of 0.1 or greater, the institution will, for such  
4           year—

5                   “(i) provide an individual accepted for en-  
6                   rollment at the institution with a waiting pe-  
7                   riod, beginning on the date that the individual  
8                   receives notification of the acceptance and last-  
9                   ing for not less than 2 weeks, before the indi-  
10                  vidual is required to enroll in the institution,  
11                  pay tuition charges, or sign a master promis-  
12                  sory note for a loan under this title, in order to  
13                  give the individual time to consider, and com-  
14                  pare among postsecondary options, program  
15                  costs at the institution and employment pros-  
16                  pects upon completion of a program of study;

17                   “(ii) ensure that the receipt of financial  
18                   aid, incentives, or other benefits is not made  
19                   contingent on an individual confirming enroll-  
20                   ment before the end of the individual’s waiting  
21                   period;

22                   “(iii) inform the individual, in writing and  
23                   in a manner determined by the Secretary at the  
24                   time of the acceptance notification, of—

1           “(I) the individual’s right to the 2-  
2           week waiting period under clause (i) begin-  
3           ning on the date that the individual re-  
4           ceives notification of the acceptance; and

5           “(II) the reason why the institution is  
6           required to provide such waiting period;

7           “(iv) notify an individual accepted for en-  
8           rollment at the institution of all financial aid  
9           determinations by not less than 1 week before  
10          the enrollment confirmation deadline, if all re-  
11          quested application forms are received from the  
12          individual on time; and

13          “(v) disclose to an individual accepted for  
14          enrollment, in a manner determined by the Sec-  
15          retary, that the individual may file a complaint  
16          through the complaint tracking system estab-  
17          lished under section 161 if the individual be-  
18          lieves that the institution has violated any pro-  
19          vision of this paragraph.

20          “(B) If an institution described in subpara-  
21          graph (A) fails to meet the requirements of this  
22          paragraph, the institution shall be subject to a civil  
23          penalty in accordance with section 489A.

24          “(C) Notwithstanding subparagraph (A), the  
25          Secretary may, after providing notice and an oppor-

1 tunity to comment, elect to replace the use of the  
2 student default risk percentage threshold established  
3 under subparagraph (A) with a loan repayment rate  
4 threshold calculated in accordance with section  
5 483D(b).

6 “(33) In the case of an institution that enrolls  
7 during an academic year more than 100 students  
8 who are veterans, the institution shall certify that  
9 the institution has developed and implemented a  
10 plan to ensure the success of veterans at that insti-  
11 tution. To the extent practicable, the institution  
12 shall make the plan, and associated policies, public  
13 and accessible to students who are veterans. Such  
14 plan shall include the following:

15 “(A) The designation of certain faculty or  
16 staff at the institution who will serve as a point  
17 of contact for veterans—

18 “(i) within campus offices, including  
19 the admissions office; and

20 “(ii) during any orientation process  
21 for newly enrolled students.

22 “(B) The establishment of a working  
23 group that will be responsible for veterans  
24 issues.

1           “(C) A description of disability services  
2           that are available to meet the needs of disabled  
3           students who are veterans.

4           “(D) A plan for how the institution will  
5           identify students who are veterans through the  
6           application process, or through other processes,  
7           to provide better assistance in the receipt of  
8           educational assistance under laws administered  
9           by the Secretary of Veterans Affairs or the Sec-  
10          retary of Defense.

11          “(E) A description of how the institution  
12          will evaluate and maximize the number of cred-  
13          its students can receive from military training  
14          and service.

15          “(34) The institution, and the officers at the  
16          institution, will not make any substantial misrep-  
17          sentation, as described in section 489A(a)(1)(A).

18          “(35) The institution will adopt policies regard-  
19          ing academic leaves of absence, readmission, and  
20          dismissal for psychiatric reasons that are com-  
21          parable to such policies for physical health and other  
22          medical reasons, including policies that include the  
23          same guarantees of due process and appeal.”;

24                (2) in subsection (c)—

25                    (A) in paragraph (1)—

1 (i) in subparagraph (A)(i), by striking  
 2 “available” and inserting “made publicly  
 3 available and provided”.

4 (ii) by striking subparagraphs (F) and  
 5 (G);

6 (iii) by redesignating subparagraphs  
 7 (H) and (I) as subparagraphs (F) and (G),  
 8 respectively; and

9 (iv) in subparagraph (F), as redesign-  
 10 nated by clause (iii), by striking “under  
 11 paragraph (3)(B)” and inserting “on the  
 12 institution of higher education under sec-  
 13 tion 489A”; and

14 (B) by striking paragraph (3); and

15 (C) by redesignating paragraphs (4)  
 16 through (7) as paragraphs (3) through (6), re-  
 17 spectively;

18 (3) by striking subsection (d);

19 (4) by redesignating subsections (e) through (j)  
 20 as subsections (d) through (i), respectively; and

21 (5) in subsection (f)(1) (as redesignated by  
 22 paragraph (4)), by striking “subsection (e)(2)” and  
 23 inserting “subsection (d)(2)”.

24 (c) EFFECTIVE DATE REGARDING PRIVATE LOAN  
 25 CERTIFICATION.—The amendment made by subsection

1 (b)(1)(D) shall take effect on the effective date of the reg-  
 2 ulations described in section 1012(b).

3 **SEC. 490. CIVIL PENALTIES.**

4 Part G of title IV is further amended by inserting  
 5 after section 489 the following:

6 **“SEC. 489A. CIVIL PENALTIES AND OTHER REMEDIES.**

7 “(a) DEFINITIONS.—In this section:

8 “(1) SUBSTANTIAL MISREPRESENTATION OR  
 9 OTHER SERIOUS VIOLATION.—The term ‘substantial  
 10 misrepresentation or other serious violation’ means  
 11 any of the following:

12 “(A) A substantial misrepresentation re-  
 13 garding—

14 “(i) the nature of the educational pro-  
 15 gram of an institution of higher education;

16 “(ii) the financial charges of the insti-  
 17 tution;

18 “(iii) the space availability in a pro-  
 19 gram of the institution for which a student  
 20 is considering enrollment;

21 “(iv) the admission requirements of  
 22 the institution;

23 “(v) the transferability of credits from  
 24 the institution;

1 “(vi) whether a program of the insti-  
 2 tution meets the necessary standards to  
 3 qualify students to sit for licensing exami-  
 4 nations, or obtain certification required as  
 5 a precondition for employment, in the  
 6 State in which the students reside;

7 “(vii) the passage rates of students at  
 8 the institution in obtaining certification re-  
 9 quirements;

10 “(viii) the passage rates of students  
 11 who sit for licensing examinations; or

12 “(ix) the employability of the grad-  
 13 uates of the institution.

14 “(B) Failure of an institution subject to  
 15 the requirements of section 487(a)(32) to com-  
 16 ply with such section.

17 “(C) A knowing and willful misuse of Fed-  
 18 eral student aid from any source.

19 “(D) A violation of section 487(a)(20).

20 “(E) A violation of the default manipula-  
 21 tion regulations promulgated by the Secretary  
 22 under section 435(m)(3).

23 “(F) Failure to comply with the program  
 24 review process described in section 498A, in-

1 including any disclosure requirement described in  
 2 paragraph (2)(C) or (5) of section 498A(b).

3 “(G) A violation of the program integrity  
 4 regulations promulgated by the Secretary under  
 5 this Act.

6 “(H) A violation of this Act that the Sec-  
 7 retary has determined, by regulation, to be a  
 8 serious violation for purposes of this section.

9 “(2) OFFICER OF AN INSTITUTION OF HIGHER  
 10 EDUCATION.—The term ‘officer of an institution of  
 11 higher education’ includes the president, chief execu-  
 12 tive officer, and chief financial officer of an institu-  
 13 tion of higher education or their equivalents.

14 “(b) SANCTIONS FOR SUBSTANTIAL MISREPRESENTEN-  
 15 TATIONS OR SERIOUS VIOLATIONS.—

16 “(1) CIVIL PENALTIES.—

17 “(A) IN GENERAL.—The Secretary may  
 18 impose a civil penalty upon an eligible institu-  
 19 tion upon making a determination, after reason-  
 20 able notice and opportunity for a hearing, that  
 21 an eligible institution has engaged in a substan-  
 22 tial misrepresentation or other serious violation.

23 “(B) AMOUNT OF CIVIL PENALTIES.—A  
 24 civil penalty imposed for a violation under sub-

paragraph (A) shall be not less than \$100,000  
or—

“(i) in the case of a first violation, an  
amount equal to the product of \$1,000,000  
multiplied by the institution’s student de-  
fault risk, whichever is larger;

“(ii) in the case of a second violation,  
an amount equal to the product of  
\$2,000,000 multiplied by the institution’s  
student default risk, whichever is larger;  
and

“(iii) in the case of a third or subse-  
quent violation, an amount equal to the  
product of \$3,000,000 multiplied by the in-  
stitution’s student default risk, whichever  
is larger.

“(C) TREATMENT OF MULTIPLE INSTITU-  
TIONS.—For the purpose of determining the  
number of violations for subparagraph (B), any  
violation by a particular institution will accrue  
against all identification codes used by the Of-  
fice of Postsecondary Education to designate  
campuses and institutions affiliated with the in-  
stitution, and within the period of participation  
for the institution, as defined in section

1           668.13(b) of title 34, Code of Federal Regula-  
2           tions, or any successor regulation.

3           “(c) SANCTIONS FOR OTHER VIOLATIONS OF THIS  
4 TITLE.—Upon determination, after reasonable notice and  
5 opportunity for a hearing, that an eligible institution has  
6 engaged in a violation of any other provision of this title,  
7 including the failure to carry out any provision of this  
8 title, that is not a significant misrepresentation or other  
9 serious violation, the Secretary may impose a civil penalty  
10 upon such institution of not more than \$100,000 (subject  
11 to such adjustments for inflation as may be prescribed in  
12 regulation) for each such violation.

13           “(d) CIVIL PENALTIES AND SANCTIONS FOR OFFI-  
14 CERS OF INSTITUTIONS.—Upon determination, after rea-  
15 sonable notice and an opportunity for a hearing on the  
16 record, that an officer of an institution of higher education  
17 that participates in a program under this title has know-  
18 ingly and willfully, or with gross negligence, violated a pro-  
19 vision of this title, the Secretary may sanction the officer.  
20 Such sanctions may include the following:

21           “(1) Prohibiting the institution of higher edu-  
22 cation that has employed the officer of an institution  
23 of higher education and that participates in a pro-  
24 gram under this title, or any other institution of  
25 higher education that participates in a program

1 under this title, from employing the officer, except  
2 that any such prohibition under this subsection shall  
3 not be for a period of more than 5 years from the  
4 date of the determination of the violation.

5 “(2) Assessing a civil penalty against an officer  
6 of an institution of higher education who has know-  
7 ingly and willfully, or with gross negligence, violated  
8 a provision of this title, except that any such civil  
9 penalty under this subsection shall not be greater  
10 than the amount of the officer’s compensation for  
11 each year for which the violations are determined to  
12 have occurred. For purposes of this subparagraph,  
13 an officer’s compensation shall include proceeds of  
14 any sales of stock and any incentive-based com-  
15 pensation (including stock options awarded as com-  
16 pensation) based on information required to be re-  
17 ported to the Secretary or any other Federal agency  
18 during the period in which the violations are deter-  
19 mined to have occurred.

20 “(e) LIMITATION, SUSPENSION, OR TERMINATION OF  
21 ELIGIBILITY STATUS.—

22 “(1) IN GENERAL.—Upon determination, after  
23 reasonable notice and opportunity for a hearing, that  
24 an eligible institution has engaged in a violation of  
25 any provision of this title (including the failure to

1 carry out any provision of this title or any regulation  
2 prescribed under such provision) or a violation of  
3 any applicable special arrangement, agreement, or  
4 limitation, the Secretary may limit, suspend, or ter-  
5minate the participation in any program under this  
6 title of an eligible institution, subject to the require-  
7 ments of paragraph (2).

8 “(2) SUSPENSION PROCEDURES.—No period of  
9 suspension under this section shall exceed 60 days  
10 unless the institution and the Secretary agree to an  
11 extension or unless limitation or termination pro-  
12 ceedings are initiated by the Secretary within that  
13 period of time.

14 “(f) EMERGENCY ACTION.—

15 “(1) IN GENERAL.—The Secretary may take an  
16 emergency action against an institution, under which  
17 the Secretary shall, effective on the date on which a  
18 notice and statement of the basis of the action is  
19 mailed to the institution (by registered mail, return  
20 receipt requested), withhold funds from the institu-  
21 tion or its students and withdraw the institution’s  
22 authority to obligate funds under any program  
23 under this title, if the Secretary—

24 “(A) receives information, determined by  
25 the Secretary to be reliable, that the institution

1 is violating any provision of this title, any regu-  
2 lation prescribed under this title, or any appli-  
3 cable special arrangement, agreement, or limita-  
4 tion;

5 “(B) determines that immediate action is  
6 necessary to prevent misuse of Federal funds;  
7 and

8 “(C) determines that the likelihood of loss  
9 outweighs the importance of the procedures pre-  
10 scribed in subsection (e) for limitation, suspen-  
11 sion, or termination.

12 “(2) TIME LIMITATION.—An emergency action  
13 described in paragraph (1) shall not exceed 30 days  
14 unless limitation, suspension, or termination pro-  
15 ceedings are initiated by the Secretary against the  
16 institution within that period of time.

17 “(3) OPPORTUNITY TO SHOW CAUSE.—The Sec-  
18 retary shall provide an institution that is the subject  
19 of an emergency action under this subsection an op-  
20 portunity to show cause, if the institution so re-  
21 quests, that the emergency action is unwarranted  
22 and should be lifted.

23 “(g) LIFTING OF SANCTIONS.—Notwithstanding any  
24 other provision of this title, an institution of higher edu-  
25 cation that has been sanctioned by the Secretary under

1 this section or any other provision of this title may not  
 2 have such sanctions lifted until the Secretary has con-  
 3 ducted a subsequent program review under section 498A  
 4 and has found the institution to be in compliance with this  
 5 title.

6 “(h) SINGLE COURSE OF CONDUCT; COMPROMISE  
 7 AUTHORITY AND COLLECTION OF PENALTY.—

8 “(1) SAME COURSE OF CONDUCT.—For pur-  
 9 poses of this section, acts and omissions relating to  
 10 a single course of conduct shall be treated as a sin-  
 11 gle violation.

12 “(2) COMPROMISE AUTHORITY.—Any civil pen-  
 13 alty under this section may be compromised by the  
 14 Secretary. In determining the amount of such pen-  
 15 alty, or the amount agreed upon in compromise, the  
 16 Secretary shall consider—

17 “(A) the appropriateness of the penalty to  
 18 the size of the institution of higher education  
 19 subject to the determination; and

20 “(B) the gravity of the violation, failure, or  
 21 misrepresentation.

22 “(i) COLLECTION OF PENALTY.—The amount of any  
 23 penalty under this section may be deducted from any sums  
 24 owing by the United States to the institution charged.

25 “(j) DISPOSITION OF AMOUNTS RECOVERED.—

1           “(1) IN GENERAL.—Amounts collected under  
2           this section shall be transferred to the Secretary,  
3           who shall determine the distribution of collected  
4           amounts, in accordance with paragraphs (2) and (3).

5           “(2) USE FOR PROGRAM INTEGRITY EFFORTS  
6           AND PROGRAM REVIEWS.—

7           “(A) IN GENERAL.—For each fiscal year,  
8           an amount equal to not more than 50 percent  
9           of the amounts recovered or collected under this  
10          section—

11                 “(i) shall be available to the Secretary  
12                 to carry out program reviews under section  
13                 498A and other efforts by the Secretary  
14                 related to program integrity under part H;  
15                 and

16                 “(ii) may be credited, if applicable, for  
17                 that purpose by the Secretary to any ap-  
18                 propriations and funds that are available  
19                 to the Secretary for obligation at the time  
20                 of collection.

21           “(B) SUPPLEMENT NOT SUPPLANT.—  
22           Amounts made available under subparagraph  
23           (A) shall be used to supplement and not sup-  
24           plant any other amounts available to the Sec-

1           retary for the purpose described in such sub-  
2           paragraph.

3           “(C) AVAILABILITY FOR FUNDS.—Any  
4           amounts collected under this section that are  
5           made available under paragraph (2) shall re-  
6           main available until expended.

7           “(3) USE FOR STUDENT RELIEF FUND.—For  
8           each fiscal year, an amount equal to not less than  
9           50 percent of the amounts recovered or collected  
10          under this section shall be deposited into the Stu-  
11          dent Relief Fund established under subsection (k).

12          “(4) REPORT.—The Secretary shall regularly  
13          publish, on the website of the Department, a de-  
14          tailed description that includes—

15               “(A) the amount of funds that were dis-  
16               tributed for the purposes described in para-  
17               graph (2) and the amount used for the Student  
18               Relief Fund under paragraph (3); and

19               “(B) how funds were distributed among  
20               the purposes described in paragraph (2)(A)(i).

21          “(k) STUDENT RELIEF FUND.—

22               “(1) ESTABLISHMENT.—The Secretary shall es-  
23               tablish a Student Relief Fund (referred to in this  
24               subsection as the ‘Fund’) that shall be used, subject  
25               to the availability of funds, to provide financial relief

1 to any student enrolled in an institution of higher  
2 education that—

3 “(A) has failed to comply with an eligi-  
4 bility requirement under section 101 or 102 or  
5 an obligation incurred under the terms of the  
6 program participation agreement under section  
7 487; or

8 “(B) has been sanctioned under subsection  
9 (b) or (c).

10 “(2) DETERMINATION OF RELIEF.—The Sec-  
11 retary, in consultation with Director of the Bureau  
12 of Consumer Financial Protection—

13 “(A) shall determine the manner of relief  
14 to be provided under paragraph (1), which may  
15 include tuition reimbursement or full or partial  
16 loan forgiveness; and

17 “(B) may issue regulations regarding how  
18 the amounts in the Fund will be distributed  
19 among students eligible for the funds.

20 “(3) TREATMENT AND AVAILABILITY OF  
21 FUNDS.—

22 “(A) FUNDS THAT ARE NOT GOVERNMENT  
23 FUNDS.—Funds obtained by or transferred to  
24 the Fund shall not be construed to be Govern-  
25 ment funds or appropriated monies.

1           “(B) AMOUNTS NOT SUBJECT TO APPOR-  
 2           TIONMENT.—Notwithstanding any other provi-  
 3           sion of law, amounts in the Fund shall not be  
 4           subject to apportionment for purposes of chap-  
 5           ter 15 of title 31, United States Code, or under  
 6           any other authority.

7           “(C) NO FISCAL YEAR LIMITATION.—Sums  
 8           deposited in the Fund shall remain in the Fund  
 9           and be available for expenditure under this  
 10          chapter without fiscal year limitation.

11          “(4) INVESTMENTS.—

12           “(A) AMOUNTS IN FUND MAY BE IN-  
 13           VESTED.—The Secretary of Education may re-  
 14           quest the Secretary of the Treasury to invest  
 15           the portion of the Fund that is not, in the dis-  
 16           cretion of the Secretary of Education, required  
 17           to meet the current needs of the Fund.

18           “(B) ELIGIBLE INVESTMENTS.—Invest-  
 19           ments shall be made by the Secretary of the  
 20           Treasury in obligations of the United States or  
 21           obligations that are guaranteed as to principal  
 22           and interest by the United States, with matu-  
 23           rities suitable to the needs of the Fund as de-  
 24           termined by the Secretary on the record.

1           “(C) INTEREST AND PROCEEDS CRED-  
 2           ITED.—The interest on, and the proceeds from  
 3           the sale or redemption of, any obligations held  
 4           in the Fund shall be credited to the Fund.

5           “(5) REGULATIONS.—The Secretary shall pre-  
 6           scribe regulations to implement the requirements of  
 7           this section within 1 year after the date of enact-  
 8           ment of the Higher Education Affordability Act.

9           “(6) AUTHORIZATION OF APPROPRIATIONS.—In  
 10          addition to funds derived from financial penalties as-  
 11          sessed pursuant to subsection (j), there are author-  
 12          ized to be appropriated such sums as may be nec-  
 13          essary to carry out this subsection for fiscal year  
 14          2015 and each of the five succeeding fiscal years.

15          “(l) STATE ENFORCEMENT.—

16          “(1) IN GENERAL.—Any violation of subsection  
 17          (b), including the regulations promulgated under  
 18          such subsection, shall be a cause of action enforce-  
 19          able by the State, through the attorney general (or  
 20          the equivalent thereof) of the State, in any district  
 21          court of the United States in that State or in a  
 22          State court that is located in that State and that  
 23          has jurisdiction over the defendant. The State may  
 24          seek any relief provided under paragraph (4)(B) for

1 such violation, or any remedies otherwise provided  
2 under law.

3 “(2) NOTICE REQUIRED.—

4 “(A) IN GENERAL.—Before initiating any  
5 action in a court or other administrative or reg-  
6 ulatory proceeding against any institution of  
7 higher education as authorized by paragraph  
8 (1) to enforce any provision of this subsection,  
9 including any regulation promulgated by the  
10 Secretary under this subsection, a State attor-  
11 ney general shall timely provide a copy of the  
12 complete complaint to be filed and written no-  
13 tice describing such action or proceeding to the  
14 Secretary, except as provided in subparagraph  
15 (B).

16 “(B) EMERGENCY ACTION.—If prior notice  
17 is not practicable, the State attorney general  
18 shall provide a copy of the complete complaint  
19 and the notice to the Secretary immediately  
20 upon instituting the action or proceeding.

21 “(C) CONTENTS OF NOTICE.—The notifi-  
22 cation required under this subparagraph shall,  
23 at a minimum, describe—

24 “(i) the identity of the parties;

1                   “(ii) the alleged facts underlying the  
2                   proceeding; and

3                   “(iii) whether there may be a need to  
4                   coordinate the prosecution of the pro-  
5                   ceeding so as not to interfere with any ac-  
6                   tion, including any rulemaking, undertaken  
7                   by the Secretary or another Federal agen-  
8                   cy.

9                   “(3) REGULATIONS.—The Secretary shall pre-  
10                  scribe regulations to implement the requirements of  
11                  this subsection and periodically provide guidance in  
12                  order to further coordinate actions with the State at-  
13                  torneys general.

14                  “(4) PRESERVATION OF STATE AUTHORITY.—

15                  “(A) STATE CLAIMS.—Nothing in this sub-  
16                  section shall be construed as altering, limiting,  
17                  or affecting the authority of a State attorney  
18                  general or any other regulatory or enforcement  
19                  agency or authority to bring an action or other  
20                  regulatory proceeding arising solely under the  
21                  law in effect in that State.

22                  “(B) RELIEF.—

23                  “(i) IN GENERAL.—Relief under this  
24                  subsection may include, without limita-  
25                  tion—

1 “(I) rescission or reformation of  
2 contracts;

3 “(II) refund of moneys or return  
4 of real property;

5 “(III) restitution;

6 “(IV) disgorgement or compensa-  
7 tion for unjust enrichment;

8 “(V) payment of damages or  
9 other monetary relief pursuant to the  
10 requirements of paragraph (2);

11 “(VI) public notification regard-  
12 ing the violation, including the costs  
13 of notification; and

14 “(VII) limits on the activities or  
15 functions of the person.

16 “(ii) EXCLUSION.—Relief under this  
17 subsection shall not include the ability to  
18 suspend or terminate the eligibility status  
19 of an institution of higher education for  
20 programs under this title.”.

21 **SEC. 491. ADVISORY COMMITTEE ON STUDENT FINANCIAL**  
22 **ASSISTANCE.**

23 Section 491(k) (20 U.S.C. 1098(i)) is amended by  
24 striking “2015” and inserting “2020”.

1 **SEC. 492. INCOME-BASED REPAYMENT.**

2 (a) IN GENERAL.—Section 493C of the Higher Edu-  
 3 cation Act of 1965 (20 U.S.C. 1098e) is amended to read  
 4 as follows:

5 **“SEC. 493C. INCOME-BASED REPAYMENT.**

6 “(a) DEFINITIONS.—In this section:

7 “(1) ELIGIBLE LOAN.—The term ‘eligible loan’  
 8 means any outstanding loan of a borrower that is  
 9 made, insured, or guaranteed under part B or part  
 10 D, except that the term does not include—

11 “(A) any such loan that is in default;

12 “(B) any PLUS loan made, insured, or  
 13 guaranteed under section 428, or any Federal  
 14 Direct PLUS Loan, made to a parent borrower;  
 15 or

16 “(C) any consolidation loan made, insured,  
 17 or guaranteed under section 428C, or any Fed-  
 18 eral Direct Consolidation Loan, that repaid a  
 19 loan described in subparagraph (B).

20 “(2) PARTIAL FINANCIAL HARDSHIP.—The  
 21 term ‘partial financial hardship’, when used with re-  
 22 spect to a borrower, means that—

23 “(A) for such borrower—

24 “(i) the annual amount due on the  
 25 total amount of eligible loans made to a  
 26 borrower as calculated under the standard

1                    repayment      plan      under      section  
 2                    428(b)(9)(A)(i) or 455(d)(1)(A), based on  
 3                    a 10-year repayment period; exceeds

4                    “(ii) 10 percent of the result obtained  
 5                    by calculating, on an annual basis, the  
 6                    amount by which—

7                    “(I) the borrower’s, and the bor-  
 8                    rower’s spouse’s (if applicable), ad-  
 9                    justed gross income; exceeds

10                    “(II) 150 percent of the poverty  
 11                    line; or

12                    “(B) the borrower is considered 150 days  
 13                    or more days delinquent on one or more eligible  
 14                    loans.

15            “(b) INCOME-BASED REPAYMENT PROGRAM AU-  
 16 THORIZED.—Notwithstanding any other provision of this  
 17 Act, the Secretary shall carry out a program under  
 18 which—

19                    “(1) a borrower of any eligible loan may elect  
 20                    to participate in the income-based repayment plan if  
 21                    the borrower has a partial financial hardship as of  
 22                    the time the borrower makes the election—

23                    “(A) whether or not the borrower’s loan  
 24                    has been submitted to a guaranty agency for

1           default aversion or had been in default pre-  
2           viously; and

3           “(B) whether or not the borrower is, at the  
4           time of the election, enrolled in another repay-  
5           ment plan, including the income contingent re-  
6           payment plan, income-sensitive repayment plan,  
7           or another repayment plan based on income eli-  
8           gibility (except that in the case of a borrower  
9           who is enrolled in the income contingent repay-  
10          ment plan and has a Federal Direct Consolida-  
11          tion Loan that repaid a Federal Direct PLUS  
12          Loan, that Federal Direct Consolidation Loan  
13          shall not be an eligible loan for purposes of this  
14          section);

15          “(2) after selection of the income-based repay-  
16          ment plan, and for the remaining period of the bor-  
17          rower’s loans unless the borrower elects a different  
18          repayment method, the borrower’s aggregate month-  
19          ly payment for all such loans shall not exceed the re-  
20          sult described in subsection (a)(2)(A)(ii), as cal-  
21          culated on an annual basis, divided by 12;

22          “(3) the holder of such a loan shall apply the  
23          borrower’s monthly payment under this subsection  
24          first toward interest due on the loan, next toward

1 any fees due on the loan, and then toward the prin-  
2 cipal of the loan;

3 “(4) any interest due and not paid under para-  
4 graph (3) shall accrue but not be capitalized, except  
5 that, in the case of loans under section 428, or Fed-  
6 eral Direct Stafford Loans for which interest was  
7 subsidized, any interest due and not paid under  
8 paragraph (3) shall be paid by the Secretary for a  
9 period of not more than 3 years after the date of the  
10 borrower’s election under paragraph (1) (not includ-  
11 ing any period during which the borrower is in  
12 deferment due to an economic hardship described in  
13 section 435(o)); and

14 “(5) any principal due and not paid under  
15 paragraph (3) shall be deferred;

16 “(6) a borrower who elects to participate in an  
17 income-based repayment plan under paragraph (1)  
18 and whose eligibility for an income-based repayment  
19 plan is verified may participate in the income-based  
20 repayment plan during the period of the borrower’s  
21 loans, even if the borrower no longer has a partial  
22 financial hardship;

23 “(7) the amount of time the borrower makes  
24 monthly payments under paragraph (2) may exceed  
25 10 years;

1           “(8) the Secretary shall repay or cancel any  
2           outstanding balance of principal and interest due on  
3           all eligible loans to a borrower who—

4                   “(A) at any time, elected to participate in  
5           income-based repayment under paragraph (1);  
6           and

7                   “(B) for a period of time prescribed by the  
8           Secretary, not to exceed 20 years, meets 1 or  
9           more of the following requirements—

10                   “(i) has made reduced monthly pay-  
11           ments under paragraph (2);

12                   “(ii) has made monthly payments of  
13           not less than the monthly amount required  
14           under paragraph (1) of subsection (b), as  
15           such subsection was in effect on the day  
16           before the date of enactment of the Higher  
17           Education Affordability Act;

18                   “(iii) has made monthly payments of  
19           not less than the monthly amount cal-  
20           culated under section 428(b)(9)(A)(i) or  
21           455(d)(1)(A), based on a 10-year repay-  
22           ment period, when the borrower first made  
23           the election described in this subsection;

24                   “(iv) has made payments of not less  
25           than the payments required under a stand-

1           ard repayment plan under section  
 2           428(b)(9)(A)(i) or 455(d)(1)(A) with a re-  
 3           payment period of 10 years;

4           “(v) has made payments under an in-  
 5           come contingent repayment plan under sec-  
 6           tion 455(d)(1)(D), as in effect on the day  
 7           before the date that is 1 year after the  
 8           date of enactment of the Higher Education  
 9           Affordability Act; or

10           “(vi) has been in deferment due to an  
 11           economic hardship described in section  
 12           435(o);

13           “(9) a borrower who is repaying an eligible loan  
 14           pursuant to income-based repayment may elect, at  
 15           any time, to terminate repayment pursuant to in-  
 16           come-based repayment and repay such loan under  
 17           another repayment plan; and

18           “(10) the special allowance payment to a lender  
 19           calculated under section 438(b)(2)(I), when cal-  
 20           culated for a loan in repayment under this section,  
 21           shall be calculated on the principal balance of the  
 22           loan and on any accrued interest unpaid by the bor-  
 23           rower in accordance with this section.

24           “(c) MONTHLY LOAN PAYMENT DETERMINA-  
 25           TIONS.—

1 “(1) VERIFICATION PROCESS.—

2 “(A) IN GENERAL.—The Secretary shall  
3 establish procedures for annually determining  
4 the borrower’s monthly payment amount for in-  
5 come-based repayment, including verification of  
6 a borrower’s annual income and the annual  
7 amount due on the total amount of eligible  
8 loans.

9 “(B) RULE FOR BORROWERS WHO DO NOT  
10 PROVIDE THE ADDITIONAL INFORMATION.—In  
11 the case of a borrower who has selected the in-  
12 come-based repayment plan and who does not  
13 submit the borrower’s annual income docu-  
14 mentation by such date as required under sub-  
15 paragraph (A)—

16 “(i) until the borrower submits the re-  
17 quired documentation (but in no case for a  
18 period greater than 1 year), the borrower’s  
19 monthly payment amount for an eligible  
20 loan shall be the greater of—

21 “(I) the monthly payment re-  
22 quired under a standard repayment  
23 plan under section 428(b)(9)(A)(i) or  
24 455(d)(1)(A) with a repayment period  
25 of 10 years for the loan; and

1                   “(II) the amount described in  
2                   subsection (a)(2)(A)(ii), as calculated  
3                   based on the most recent income doc-  
4                   umentation provided to the Secretary  
5                   by the borrower; and

6                   “(ii) no monthly payments made be-  
7                   fore the borrower has submitted the re-  
8                   quired information shall be included for  
9                   purposes of loan repayment or cancellation  
10                  under subsection (b)(8)(B) or the public  
11                  service loan forgiveness program under  
12                  section 455(m).

13                  “(C) ADDITIONAL PROCEDURES TO CON-  
14                  SIDER.—In addition to the procedures estab-  
15                  lished in this section, the Secretary shall con-  
16                  sider, but is not limited to, the procedures es-  
17                  tablished in accordance with section 455(e)(1)  
18                  or in connection with income-sensitive repay-  
19                  ment schedules under section 428(b)(9)(A)(iii)  
20                  or 428C(b)(1)(E), as in effect on the day before  
21                  the date that is 1 year after the date of enact-  
22                  ment of the Higher Education Affordability  
23                  Act.

24                  “(2) SPECIAL RULE FOR MARRIED BORROWERS  
25                  FILING SEPARATELY.—In the case of a married bor-

1       rower who files a separate Federal income tax re-  
 2       turn, the Secretary shall calculate the amount of the  
 3       borrower's income-based repayment under this sec-  
 4       tion solely on the basis of the borrower's student  
 5       loan debt and adjusted gross income.

6       “(d) AUTOMATIC ENROLLMENT FOR DELINQUENT  
 7 BORROWERS.—

8               “(1) IN GENERAL.—The Secretary shall estab-  
 9       lish procedures for automatically enrolling delin-  
 10      quent borrowers with a partial financial hardship de-  
 11      scribed in subsection (a)(2)(B) into the income-  
 12      based repayment plan. Such procedures shall include  
 13      the following requirements:

14              “(A) Each entity with a contract to service  
 15      loans under section 456, and each entity that is  
 16      a lender of loans made, insured, or guaranteed  
 17      under part B or any entity that provides stu-  
 18      dent loan servicing for such lender, shall—

19              “(i) identify each delinquent borrower  
 20      of a loan serviced or held by the entity on  
 21      the date that such borrower qualifies for a  
 22      partial financial hardship described in sub-  
 23      section (a)(2)(B); and

24              “(ii) retrieve for such borrower, using  
 25      the online income verification system es-

1           tablished under paragraph (4), the bor-  
2           rower’s new monthly payment amount  
3           under this section.

4           “(B) In any case where an entity described  
5           in subparagraph (A) is unable to obtain infor-  
6           mation regarding the borrower’s new monthly  
7           payment amount under this section, the entity  
8           shall notify the Secretary and the Secretary  
9           shall provide the entity with a determination of  
10          the new monthly payment amount for a bor-  
11          rower not later than 7 days after the entity’s  
12          request.

13          “(C) The entity described in subparagraph  
14          (A) shall automatically enroll a borrower identi-  
15          fied in such subparagraph into the income-  
16          based repayment plan as follows:

17                 “(i) In the case of a borrower who  
18                 filed a return under section 6012(a)(1) of  
19                 the Internal Revenue Code of 1986 for 1  
20                 or both of the immediately preceding tax  
21                 years—

22                         “(I) if such borrower makes a  
23                         payment equal to or greater than the  
24                         new monthly payment amount deter-  
25                         mined under subparagraph (A)(ii) for

1 the income-based repayment plan, the  
2 entity will automatically enroll the  
3 borrower in the income-based repay-  
4 ment program, unless the borrower  
5 requests otherwise;

6 “(II) if such borrower’s new  
7 monthly payment amount provided  
8 under subparagraph (A)(ii) for the in-  
9 come-based repayment plan is deter-  
10 mined to be \$0, the entity will auto-  
11 matically enroll the borrower in the  
12 income-based repayment program, if  
13 the borrower provides consent for  
14 such enrollment, as determined  
15 through either an online agreement or  
16 a signed consent form; and

17 “(III) if such borrower does not  
18 make a payment equal to or greater  
19 than the new monthly payment  
20 amount determined under subpara-  
21 graph (A)(ii) for the income-based re-  
22 payment plan, the entity will not auto-  
23 matically enroll the borrower in the  
24 income-based repayment program.

1           “(ii) In the case of a borrower identi-  
2           fied under subparagraph (A)(i) who was  
3           not required to file a tax return under sec-  
4           tion 6012(a)(1) of the Internal Revenue  
5           Code of 1986 for the 2 consecutive pre-  
6           ceding tax years—

7                       “(I) the entity will deem the bor-  
8           rower’s monthly payment amount for  
9           income-based repayment to be \$0  
10          until determined otherwise through  
11          additional information; and

12                      “(II) the entity will automatically  
13          enroll the borrower in the income-  
14          based repayment program if the bor-  
15          rower provides consent for such en-  
16          rollment, as determined through ei-  
17          ther an online agreement or a signed  
18          consent form.

19           “(iii) In the case of a borrower identi-  
20          fied under paragraph (1)(A) who failed to  
21          file a return under section 6012(a)(1) of  
22          the Internal Revenue Code of 1986, for the  
23          preceding tax year, the entity will carry  
24          out the requirements described in para-  
25          graph (3)(C), including automatically en-

1           rolling the borrower in the income-based  
2           repayment program if the borrower pro-  
3           vides consent and provides additional infor-  
4           mation, as described in such paragraph.

5           “(D) The entity described in subparagraph  
6           (A) shall provide each borrower identified with  
7           a partial financial hardship under subparagraph  
8           (A)(i), as part of the borrower’s next periodic  
9           statement, a personalized statement to the bor-  
10          rower that—

11               “(i) informs the borrower—

12                       “(I) that the borrower will be  
13                       automatically enrolled into the in-  
14                       come-based repayment plan under this  
15                       section, in accordance with the proce-  
16                       dure described in subparagraph (C)  
17                       that is applicable to the borrower’s  
18                       case;

19                       “(II) of the key terms and condi-  
20                       tions of such repayment plan; and

21                       “(III) what the borrower’s new  
22                       monthly payment amount under the  
23                       income-based repayment plan will be  
24                       for the next year;

1 “(ii) notifies the borrower of the auto-  
2 matic enrollment procedures described in  
3 subparagraph (C);

4 “(iii) provides a clear list of dangers  
5 associated with continued delinquency and  
6 default on eligible loans;

7 “(iv) informs the borrower that the  
8 borrower is eligible for a different monthly  
9 payment amount under the standard 10-  
10 year plan, and the estimated monthly pay-  
11 ment amount under the standard 10-year  
12 plan;

13 “(v) informs the borrower that paying  
14 the minimum monthly payment amount  
15 under the income-based repayment plan  
16 under this section may lead to negative  
17 amortization such that if a borrower’s  
18 monthly payment does not fully cover the  
19 amount of interest owed, then the principal  
20 amount owed may increase over time and  
21 cause the borrower’s loan balance to in-  
22 crease; and

23 “(vi) includes any other information  
24 determined to be relevant by the Secretary,

1 in consultation with the Director of the  
2 Bureau of Consumer Financial Protection.

3 “(2) STANDARD NOTIFICATION FORMAT; CON-  
4 SUMER TESTING.—The Secretary, in consultation  
5 with the Director of the Bureau of Consumer Finan-  
6 cial Protection, shall—

7 “(A) develop a standard format for the  
8 personalized statement described in paragraph  
9 (1)(D); and

10 “(B) submit for consumer testing under  
11 section 483, such standard format and any con-  
12 sent form or online tool required for consent of  
13 borrowers with \$0 payment to participate in in-  
14 come-based repayment under paragraph  
15 (1)(C)(ii)(II) or (3)(B).

16 “(3) FAILURE TO FILE.—

17 “(A) MONTHLY PAYMENT AMOUNT TREAT-  
18 ED AS \$0.—In the case of a borrower identified  
19 under paragraph (1)(A) who is required to file  
20 a return under section 6012(a)(1) of the Inter-  
21 nal Revenue Code of 1986 and fails to file such  
22 return, the Secretary of the Treasury shall  
23 transmit to the Secretary of Education any  
24 such tax information of the individual as may  
25 be necessary to determine the appropriate

1           monthly payment amount. If such information  
2           is unavailable or insufficient, then the monthly  
3           payment amount shall be treated as \$0 until  
4           determined otherwise through additional infor-  
5           mation.

6           “(B) BORROWER CONTACT REQUIRE-  
7           MENT.—A borrower whose monthly payment  
8           amount is treated as \$0 due to unavailable or  
9           insufficient information, as described in sub-  
10          paragraph (A), shall be automatically enrolled  
11          in the income-based repayment plan under this  
12          section if the borrower—

13               “(i) provides consent for such enroll-  
14               ment, as determined through either an on-  
15               line agreement or a signed consent form;  
16               and

17               “(ii) provides the information needed  
18               to determine the appropriate monthly pay-  
19               ment amount under the income-based re-  
20               payment plan.

21          “(C) NOTIFICATION.—The entity described  
22          in paragraph (1)(A) shall communicate to a  
23          borrower described in this paragraph of the pol-  
24          icy described in subparagraph (A) and the re-  
25          quirements that the borrower must fulfill, as

described in subparagraph (B), in order to enroll in the income-based repayment plan under this section if such borrower's monthly payment amount has been treated as \$0 due to unavailable or insufficient information, as determined by the Secretary. Such policy and requirements shall be communicated to the borrower in plain and simple language in the next periodic statement described under paragraph (1)(D).

“(4) CREATION OF ONLINE INCOME VERIFICATION SYSTEM.—

“(A) IN GENERAL.—By not later than the date that is 1 year after the date of enactment of the Higher Education Affordability Act, the Secretary, in consultation with the Secretary of the Treasury, shall develop and establish a streamlined online income verification system website that allows each entity with a contract to service loans under section 456, and each entity that is an eligible lender of loans made, insured, or guaranteed under part B or another entity that provides student loan servicing for such lender or loan holder, to access and retrieve the monthly payment amount for the income-based repayment program for a borrower

1 identified under paragraph (1)(A). The website  
2 shall provide no additional information relating  
3 to a borrower's financial circumstances beyond  
4 that needed to determine a monthly payment  
5 amount.

6 “(B) SECURITY.—The Secretary shall en-  
7 sure that the online income verification system  
8 website established under subparagraph (A) is  
9 secure and that information regarding a bor-  
10 rower is accessible only to the lender of a loan  
11 of such borrower or the entity that is servicing  
12 a loan of such borrower. The Secretary shall en-  
13 sure that no entity shall access the online in-  
14 come verification system website for the pur-  
15 poses of collections with respect to loans.

16 “(C) PROHIBITION OF INAPPROPRIATE  
17 USE.—Any use of the online income verification  
18 system that is not for the purpose described in  
19 subparagraph (A) is prohibited and may be the  
20 basis for a claim of a violation of a contract en-  
21 tered into under section 456, or for an action  
22 under subsection (g) or (h) of section 432, as  
23 the case may be.

24 “(5) APPEALS PROCESS.—The Secretary shall  
25 establish a clear and accessible process for appealing

1 the monthly payment amount determined under the  
 2 online income verification system website for a bor-  
 3 rower identified in paragraph (1)(A) in any case  
 4 where a borrower believes that the monthly payment  
 5 amount is based on tax information that is incorrect.

6 If a borrower wins such an appeal, then the Sec-  
 7 retary shall—

8 “(A) retroactively credit the overpaid  
 9 amount towards future payments; or

10 “(B) apply the overpaid amount towards  
 11 the principal balance of the borrower’s loans, if  
 12 requested to do so by the borrower.

13 “(e) CHANGES TO FAFSA.—By not later than 1 year  
 14 after the date of enactment of the Higher Education Af-  
 15 fordability Act, the Secretary shall make changes as need-  
 16 ed to the common master promissory note developed under  
 17 section 432(m)(1)(A) and the Free Application for Fed-  
 18 eral Student Aid described in section 483 to implement  
 19 the requirements of this section.”.

20 (b) EFFECTIVE DATE.—The amendment made by  
 21 subsection (a) shall take effect on the date that is 1 year  
 22 after the date of enactment of this Act.

23 **SEC. 493. EXTENDING THE PROTECTIONS FOR STUDENT**  
 24 **LOANS FOR ACTIVE DUTY BORROWERS.**

25 Section 493D (20 U.S.C. 1098f) is amended—

1           (1) in the section heading, by inserting “**AND**  
2           **PROTECTIONS FOR ACTIVE DUTY BORROWERS**”

3           before the period at the end;

4           (2) by redesignating subsection (b) as sub-  
5           section (c); and

6           (3) by inserting after subsection (a) the fol-  
7           lowing:

8           “(b) USE OF INFORMATION.—

9           “(1) IN GENERAL.—The Secretary shall utilize  
10          information the Secretary receives regarding the ac-  
11          tive duty status of borrowers from the Secretary of  
12          Defense for any purpose under this title to ensure  
13          that the interest rate charged on any loan made  
14          under part D of title IV for borrowers who are sub-  
15          ject to section 207(a)(1) of the Servicemembers Civil  
16          Relief Act (50 U.S.C. App. 527(a)(1)) does not ex-  
17          ceed the maximum interest rate set forth in such  
18          section.

19          “(2) SCRA INTEREST RATE LIMITATION NO-  
20          TICE REQUIREMENTS.—The submittal by the Sec-  
21          retary of Defense to the Secretary of Education of  
22          information that informs the Secretary of Education  
23          that a member of the Armed Forces with a student  
24          loan under part D of title IV has been or is being  
25          called to military service (as defined in section 101

1 of the Servicemembers Civil Relief Act (50 U.S.C.  
 2 App. 511)), including a member of a reserve unit  
 3 who is ordered to report for military service as pro-  
 4 vided for under section 106 of such Act (50 U.S.C.  
 5 App. 516), shall be considered, for purposes of sub-  
 6 jecting such student loan to the provisions of section  
 7 207 of the Servicemembers Civil Relief Act (50  
 8 U.S.C. App. 527), provision by the borrower to the  
 9 creditor of written notice and a copy of military or-  
 10 ders as described in subsection (b)(1) of such sec-  
 11 tion.

12 “(3) PROCEDURES.—Not later than 180 days  
 13 after the date of enactment of the Higher Education  
 14 Affordability Act, the Secretary, in consultation with  
 15 the Department of Defense, shall establish a proce-  
 16 dure to implement this subsection.”.

17 **SEC. 493A. DISBURSEMENT OF CREDIT BALANCE.**

18 Part G of title IV (20 U.S.C. 1088 et seq.) is amend-  
 19 ed by adding at the end the following:

20 **“SEC. 493E. DISBURSEMENT OF CREDIT BALANCE.**

21 “(a) CREDIT BALANCE.—In this section, the term  
 22 ‘credit balance’ means the amount of program funds under  
 23 this title credited to a student’s ledger account at the insti-  
 24 tution of higher education that exceed the amount as-

1 sessed the student by the institution for allowable institu-  
2 tional charges, as defined by the Secretary.

3 “(b) ESTABLISHMENT OF SYSTEM FOR DISBURSE-  
4 MENT.—Not later than 3 years after the date of enact-  
5 ment of the Higher Education Affordability Act, each in-  
6 stitution of higher education that enrolls a student who  
7 receives a grant or loan under this title shall establish a  
8 system for the disbursement of credit balances in accord-  
9 ance with subsection (c).

10 “(c) ELECTRONIC PAYMENT SYSTEM.—

11 “(1) IN GENERAL.—Each institution of higher  
12 education described in subsection (b) shall establish  
13 a system for disbursement of credit balances  
14 through electronic payments to a deposit account or  
15 a general use prepaid card with the protections af-  
16 farded under the Electronic Fund Transfer Act (15  
17 U.S.C. 1693 et seq.).

18 “(2) NO PREFERRED FINANCIAL INSTITUTION  
19 OR DENIAL OR DELAY.—In carrying out the system  
20 under paragraph (1), an institution of higher edu-  
21 cation shall not—

22 “(A) require or encourage a student to se-  
23 lect a particular financial institution to which  
24 an electronic payment under this section shall  
25 be made; or

1           “(B) deny or cause a delay in the disburse-  
2           ment of credit balances based on the selection  
3           by a student of a particular financial institu-  
4           tion.

5           “(3) WAIVER.—A public institution of higher  
6           education may seek a waiver from the Secretary of  
7           the requirements of paragraph (1) if a State or local  
8           governmental entity, or a State or local policy or  
9           procedure, prevents compliance with such require-  
10          ments. The Secretary shall grant the waiver only if  
11          such institution ensures that credit balances are pro-  
12          vided to students in a manner consistent with the  
13          goals and purposes of this section, as determined by  
14          the Secretary.

15          “(d) DISTRIBUTION OPTIONS.—

16               “(1) PILOT PROGRAM.—The Secretary of Edu-  
17               cation, in consultation with the Secretary of the  
18               Treasury and the Director of the Bureau of Con-  
19               sumer Financial Protection, shall conduct a pilot  
20               program on providing students with the option of re-  
21               ceiving credit balances, through the electronic pay-  
22               ment system of the institution of higher education in  
23               accordance with subsection (c), by using the Treas-  
24               ury Direct Express system established under section  
25               3336 of title 31, United States Code, or through any

1 other low-cost alternative as determined by the Sec-  
 2 retary.

3 “(2) IMPLEMENTATION.—If the Secretary of  
 4 Education, after conducting the pilot program de-  
 5 scribed in paragraph (1), determines that allowing  
 6 students with credit balances to use any option de-  
 7 scribed in such paragraph is in the best interest of  
 8 students, the Secretary shall take such actions as  
 9 are necessary to provide any such option to students,  
 10 which may include entering into agreements with the  
 11 Secretary of the Treasury or other entity to imple-  
 12 ment this paragraph.”.

13 **SEC. 493B. DISCLOSURE OF COHORT RATES BASED ON RE-**  
 14 **PAYMENT PLAN AND DEFERMENT STATUS.**

15 Part G of title IV (20 U.S.C. 1088 et seq.), as  
 16 amended by section 493A, is further amended by adding  
 17 at the end the following:

18 **“SEC. 493F. DISCLOSURE OF COHORT RATES BASED ON RE-**  
 19 **PAYMENT PLAN AND DEFERMENT STATUS.**

20 “(a) PREPARATION AND PUBLICATION OF ADDI-  
 21 TIONAL COHORT RATES.—

22 “(1) IN GENERAL.—Not less often than once  
 23 every fiscal year, the Secretary shall prepare and  
 24 publish a report that includes—

1           “(A) all of the cohort rates calculated  
 2           under subsections (a) and (c) for each eligible  
 3           institution participating in any program under  
 4           this title; and

5           “(B) the underlying numbers and data  
 6           used to calculate the cohort rates described in  
 7           paragraph (1).

8           “(2) TIMING AND METHOD OF PUBLICATION.—  
 9           The Secretary shall publish the report described in  
 10          paragraph (1)—

11           “(A) on, or as close as practicable to, the  
 12           date on which the cohort default rates under  
 13           section 435(m) are made available to the public;  
 14           and

15           “(B) in the same report, or in a nearby lo-  
 16           cation on the same website, as the report on co-  
 17           hort default rates required under section  
 18           435(m)(4).

19          “(b) CALCULATION OF COHORT RATES FOR STAF-  
 20          FORD AND UNSUBSIDIZED STAFFORD COHORT BOR-  
 21          ROWERS.—

22           “(1) IDENTIFICATION OF COHORT.—For each  
 23           fiscal year, the Secretary shall use, as the cohort for  
 24           purposes of calculating the rates described in para-  
 25           graph (3), the borrowers of the loans that are in-

1       cluded in the institution’s cohort for purposes of the  
 2       cohort default rate calculation under section 435(m),  
 3       except that a borrower of multiple loans in such co-  
 4       hort shall only be counted as a single borrower.

5           “(2) CALCULATION.—Not less often than once  
 6       every fiscal year, the Secretary shall calculate for  
 7       each eligible institution participating in any program  
 8       under this title, the following rates:

9           “(A) The percentages of borrowers within  
 10       each cohort in each type of deferment status  
 11       described—

12           “(i) sections 427(a)(2)(C) and  
 13       428(b)(1)(M); and

14           “(ii) sections 427(a)(2)(C)(vii) and  
 15       428(b)(1)(M)(vii) (as in effect prior to the  
 16       enactment of the Higher Education  
 17       Amendments of 1992).

18           “(B) The percentages of borrowers within  
 19       each cohort that, as of the date of the deter-  
 20       mination, have been delinquent on the loan in-  
 21       cluded in the cohort for—

22           “(i) at least 30 and not more than 59  
 23       days;

24           “(ii) at least 60 and not more than 89  
 25       days; and

1 “(iii) 90 days or more.

2 “(C) Of the borrowers in the cohort that  
3 are in active repayment, the percentages of bor-  
4 rowers in each of the following repayment  
5 plans:

6 “(i) Standard repayment.

7 “(ii) Extended repayment, for each of  
8 the following maximum repayment periods:

9 “(I) Not more than 10 years.

10 “(II) More than 10, but not more  
11 than 12, years.

12 “(III) More than 12, but not  
13 more than 15, years.

14 “(IV) More than 15, but not  
15 more than 20, years.

16 “(V) More than 20, but not more  
17 than 25, years.

18 “(VI) More than 25, but not less  
19 than 30, years.

20 “(iii) An income contingent repayment  
21 plan authorized under section 455(e).

22 “(iv) Income-based repayment under  
23 section 493C.

1                   “(v)     Income-sensitive     repayment  
2                   under     section     428(b)(9)(A)(iii)     or  
3                   428C(b)(1)(E).

4                   “(D) Of the borrowers in each group de-  
5                   scribed in clauses (iii) through (iv) of subpara-  
6                   graph (D), the percentage whose outstanding  
7                   balance due on the loan at the end of the year  
8                   is greater than the total outstanding balance  
9                   due on such loan at the beginning of the year.

10           “(c) CALCULATION OF COHORT RATES FOR GRAD-  
11 UATE PLUS BORROWERS.—

12                   “(1) IN GENERAL.—Not less often than once  
13                   every fiscal year, the Secretary shall calculate a co-  
14                   hort rate for Graduate PLUS borrowers for each in-  
15                   stitution by—

16                   “(A) identifying the cohort of 1 or more  
17                   borrowers of a loan received for attendance at  
18                   the institution that—

19                   “(i) is made to a graduate student  
20                   under section 428B, Federal Direct PLUS  
21                   Loan, or a loan under section 428C or a  
22                   Federal Direct Consolidation Loan that is  
23                   used to repay such loan; and

24                   “(ii) that entered repayment during  
25                   the second fiscal year preceding the fiscal

1                   year for which the determination is being  
2                   made; and

3                   “(B) using the cohort described in sub-  
4                   paragraph (A) to calculate the graduate PLUS  
5                   cohort rate under paragraph (2).

6                   “(2) CALCULATION.—The graduate PLUS co-  
7                   hort rate under this subsection for an institution  
8                   shall be calculated by determining the ratio of—

9                   “(A) the number of borrowers in the co-  
10                  hort described in paragraph (1)(A) for the in-  
11                  stitution that have defaulted on a loan included  
12                  in the cohort; to

13                  “(B) the total number of borrowers in such  
14                  cohort.

15                  “(d) CALCULATION OF COHORT RATES FOR PARENT  
16 PLUS BORROWERS.—

17                  “(1) IN GENERAL.—Not less often than once  
18                  every fiscal year, the Secretary shall calculate a co-  
19                  hort rate for parent PLUS borrowers for each insti-  
20                  tution by—

21                  “(A) identifying the cohort of borrowers  
22                  for the fiscal year, in accordance with para-  
23                  graph (2); and

1           “(B) using such cohort described in sub-  
 2           paragraph (A) to calculate the parent PLUS  
 3           cohort rate in accordance with paragraph (3).

4           “(2) COHORT.—

5           “(A) IN GENERAL.—The cohort for an in-  
 6           stitution for purposes of this subsection shall be  
 7           the borrowers of a loan under section 428B,  
 8           Federal Direct PLUS Loan, or a loan under  
 9           section 428C or a Federal Direct Consolidation  
 10          Loan that—

11           “(i) is made on behalf of a dependent  
 12           student under section 428B for attendance  
 13           at the institution; and

14           “(ii)(I) for determinations made for  
 15           fiscal years preceding fiscal year 2025, en-  
 16           tered repayment during the period begin-  
 17           ning in fiscal year 2015 and ending on  
 18           September 30 of the fiscal year preceding  
 19           the fiscal year for which the determination  
 20           is being made; or

21           “(II) for determinations made for fis-  
 22           cal year 2025 and each subsequent fiscal  
 23           year, entered repayment during the tenth  
 24           year preceding the fiscal year for which the  
 25           determination is being made.

1           “(3) CALCULATION.—The parent PLUS cohort  
2           rate under this subsection for an institution shall be  
3           calculated by determining the ratio of—

4                   “(A) the number of borrowers in the co-  
5                   hort described in paragraph (1)(A) for the in-  
6                   stitution that have defaulted on a loan included  
7                   in the cohort; to

8                   “(B) the total number of borrowers in such  
9                   cohort.

10          “(e) TREATMENT OF BORROWERS WITH MULTIPLE  
11          LOANS.—A borrower with multiple loans in the same bor-  
12          rower repayment cohort of an institution shall be counted  
13          as a single borrower.

14          “(f) PROCEDURES.—The Secretary shall carry out  
15          this section in a manner that is as similar as practicable  
16          to the manner in which the Secretary calculates the cohort  
17          default rates under section 435(m), including by using  
18          common definitions, timelines, and procedures. Such pro-  
19          cedures shall include providing an opportunity for each in-  
20          stitution to have a reasonable opportunity (as specified by  
21          the Secretary) to review and correct errors in the informa-  
22          tion required for the purposes of calculating the rates  
23          under this section for such institution, prior to the calcula-  
24          tion of such rate.”.

1 **SEC. 493C. INSTITUTIONAL REPORTING REQUIREMENTS.**

2 Part G of title IV (20 U.S.C. 1088 et seq.), as  
3 amended by section 493A and 493B, is further amended  
4 by adding at the end the following:

5 **“SEC. 493G. INSTITUTIONAL REPORTING REQUIREMENTS.**

6 “(a) PURPOSES.—The purposes of this section are—

7 “(1) to promote better transparency of informa-  
8 tion to students and their families about postsec-  
9 ondary costs and outcomes while protecting student  
10 privacy in data collection;

11 “(2) to reduce the burden of data collection on  
12 institutions of higher education, including duplica-  
13 tive IPEDS reporting;

14 “(3) to inform institutional and program im-  
15 provement at institutions of higher education; and

16 “(4) to help improve laws and policies impact-  
17 ing postsecondary education.

18 “(b) IPEDS DATA COMPONENTS.—

19 “(1) SUBMISSION OF DATA.—Each institution  
20 of higher education participating in a program under  
21 this title shall submit to the Secretary student unit  
22 record data that is necessary and sufficient, as de-  
23 termined by the Secretary, to complete all student  
24 components of reporting required for the Integrated  
25 Postsecondary Education Data System (referred to  
26 in this section as ‘IPEDS’).

1           “(2) REQUIRED DATA.—The data required to  
2       be reported to the Secretary under paragraph (1)  
3       shall include the minimum number of data elements  
4       necessary and sufficient for the fall enrollment, 12-  
5       month enrollment, completions, student financial aid  
6       and net price, graduation rates, student charges por-  
7       tions of IPEDS, and portions of IPEDS relating to  
8       admissions, test scores, and institutional characteris-  
9       tics surveys, and other surveys, as determined by the  
10      Secretary. The Secretary shall undertake data mini-  
11      mization efforts in collecting this data and shall ag-  
12      gregate the data received and report it publicly at  
13      the institutional, program-specific, and State-specific  
14      level.

15           “(3) REVIEW.—

16           “(A) IN GENERAL.—Not later than 6  
17      months after the date of enactment of the  
18      Higher Education Affordability Act, the Sec-  
19      retary shall—

20           “(i) review the data collected pursuant  
21      to IPEDS to determine whether it is dupli-  
22      cative of the data required to be collected  
23      under this section; and

24           “(ii) establish a process by which in-  
25      stitutions of higher education will transi-

1                   tion to reporting data under this section in  
2                   a way that reduces duplication and burden.

3                   “(B) UPDATE OF REVIEW.—Beginning 5  
4                   years after the date of enactment of the Higher  
5                   Education Affordability Act, and every 5 years  
6                   thereafter or as necessary as determined by the  
7                   Secretary, the Secretary shall review and up-  
8                   date, as necessary, the categories of data that  
9                   shall be submitted pursuant to paragraph (1).

10                  “(4) GUIDANCE.—Not later than 1 year after  
11                  the date of enactment of the Higher Education Af-  
12                  fordability Act, the Secretary shall submit to institu-  
13                  tions of higher education—

14                         “(A) guidance related to the submission of  
15                         data under this section; and

16                         “(B) a reasonable timeframe by which in-  
17                         stitutions of higher education shall submit the  
18                         data.

19                   “(5) CONTINUATION OF COLLECTION.—IPEDS  
20                   data that is required to be collected on the day be-  
21                   fore the date of enactment of the Higher Education  
22                   Affordability but is not reported into the student  
23                   unit record system established under this section  
24                   shall continue to be collected.

1       “(c) ESTABLISHMENT OF NEW OUTCOME  
2 METRICS.—

3               “(1) IN GENERAL.—Data submitted to the Sec-  
4 retary under subsection (b) shall be used to calculate  
5 student components of IPEDS.

6               “(2) ADDITIONAL MEASURES TO BE CAL-  
7 CULATED BY THE SECRETARY.—In addition to the  
8 IPEDS student component measures required to be  
9 calculated by the Secretary on the day before the  
10 date of enactment of the Higher Education Afford-  
11 ability Act and the data elements described in sub-  
12 section (b)(2), the Secretary shall also collect the  
13 student unit record data necessary and sufficient to  
14 calculate, beginning not later than 2 years after the  
15 date of enactment of the Higher Education Afford-  
16 ability Act and at the certificate or degree-level, and  
17 institutional, program-specific, and State-specific  
18 level, information concerning each of the following:

19               “(A) The dollar amount and number of  
20 students receiving Federal, State, institutional  
21 and private financial aid, including grants,  
22 loans, and cumulative debt that is reported sep-  
23 arately for undergraduate and graduate stu-  
24 dents and disaggregated by completion status.

1           “(B) Graduation, persistence, transfer  
2 rates, and still enrolled rates for all under-  
3 graduate students, reported overall and sepa-  
4 rately for first-time full-time students at entry,  
5 first-time part-time students at entry, transfer  
6 full-time students at entry and part-time trans-  
7 fer students at entry within 100 percent, 150  
8 percent, and 200 percent of the normal time to  
9 graduation, including transfer rates by level of  
10 receiving institution.

11           “(C) Completion rates for master’s, profes-  
12 sional, and doctoral level students.

13           “(D) Earnings data for undergraduate and  
14 graduate students, disaggregated by completion  
15 status, for each of the following time periods:

16                   “(i) 2 years after program exit.

17                   “(ii) 5 years after program exit.

18                   “(iii) 10 years after program exit.

19           “(E) Loan repayment rates for under-  
20 graduate and graduate students, disaggregated  
21 by completion status.

22           “(F) Enrollment in subsequent postsec-  
23 ondary education for undergraduate and grad-  
24 uate level students.

1           “(G) Any other measures determined by  
2           the Secretary, after consultation with the Na-  
3           tional Center for Education Statistics and with  
4           input from the postsecondary education commu-  
5           nity, including students, representatives from  
6           institutions of higher education, researchers,  
7           the public, and other relevant stakeholders.

8           “(3) REQUIREMENTS FOR THE STUDENT UNIT  
9           RECORD DATA SYSTEM.—The Secretary shall estab-  
10          lish a student unit record data system under this  
11          section that shall—

12           “(A) establish consistent definitions and  
13           directions for institutions to follow in submit-  
14           ting the student unit record data required  
15           under this section;

16           “(B) determine both collection and submis-  
17           sion requirements for this section, including the  
18           CIP codes to be used for reporting program-  
19           specific data;

20           “(C) be subject to a privacy impact assess-  
21           ment, as described in section 208 of the E-Gov-  
22           ernment Act of 2002, before collecting informa-  
23           tion;

24           “(D) streamline and minimize the data re-  
25           quired to be submitted under subsection (b)(2)

1 and paragraph (2), in order to reduce duplica-  
2 tion of reporting of information by institutions  
3 of higher education and to protect student pri-  
4 vacy, which shall be done by working with the  
5 National Center for Education Statistics, the  
6 Office of Federal Student Aid, other offices  
7 within the Department, and other Federal  
8 agencies, as determined appropriate by the Sec-  
9 retary;

10 “(E) prepopulate the student unit record  
11 data system with data from existing data  
12 sources, including the National Student Loan  
13 Data System under section 485B, and ensure  
14 that such data is imported into the student unit  
15 record data system but data from the student  
16 unit record system is not exported back to the  
17 National Student Loan Data System or other  
18 existing data sources;

19 “(F) include a process, developed in col-  
20 laboration with the Social Security Administra-  
21 tion, by which—

22 “(i) the Department submits unit  
23 record lists to the Social Security Adminis-  
24 tration with instructions on how to group  
25 and aggregate the data; and

1           “(ii) the Social Security Administra-  
2           tion, consistent with Social Security Ad-  
3           ministration privacy standards and in a  
4           way that does not reveal personally identi-  
5           fiable information—

6                   “(I) returns, to the Department,  
7                   earnings data for students attending  
8                   each institution that is provided in the  
9                   aggregate and disaggregated based on  
10                  the programs of education attended  
11                  and by type of certificate or degree  
12                  earned by the graduates; and

13                  “(II) aggregates the earning data  
14                  for students attending institutions in  
15                  order to provide institution-specific  
16                  and State-specific earnings data need-  
17                  ed by the Department for purposes of  
18                  paragraph (2); and

19                  “(G) allow institutions of higher education  
20                  to request the system of higher education of  
21                  which they are a member or the State in which  
22                  they are located to report student unit record  
23                  data on their behalf if such reporting fully com-  
24                  plies with all the requirements of this section;

“(H) report the outcome metrics required under this subsection, disaggregated, if the number of students in such subgroup or with such status is sufficient to avoid revealing personally identifiable information about an individual student, by—

“(i) race and ethnicity;

“(ii) gender;

“(iii) whether and at what level the student has enrolled in a degree-granting program, certificate-granting program, or developmental education;

“(iv) first-time or transfer status;

“(v) part-time or full-time status;

“(vi) disability status, if applicable;

“(vii) receipt of a Federal Pell Grant;

“(viii) receipt of a loan made, insured, or guaranteed under section 428 or a Federal Direct Stafford Loan;

“(ix) status as a student who has received no Federal Pell Grants, no loans made, insured, or guaranteed under section 428, and no Federal Direct Stafford Loans;

1 “(x) age ranges, to be determined by  
2 the Secretary;

3 “(xi) military or veteran status; and

4 “(xii) other categories determined nec-  
5 essary by the Secretary; and

6 “(I) require that data required under this  
7 section be collected for all students, including  
8 undergraduate and graduate students but re-  
9 ported separately for undergraduate and grad-  
10 uate students.

11 “(d) REPORTING OF DATA.—

12 “(1) IN GENERAL.—The Secretary shall use the  
13 data provided by institutions of higher education  
14 under subsections (b) and (c) only for the following:

15 “(A) Publication of such statistical reports  
16 and studies as the Secretary determines appro-  
17 priate, provided that such reports do not dis-  
18 close personally identifiable information to any  
19 party. The Secretary shall specifically provide  
20 public statistical reports on access, costs, finan-  
21 cial aid, educational needs, and student out-  
22 comes that include graduation rates.

23 “(B) Management, policy planning, and  
24 oversight purposes within the Department, in-

1 including research to improve Federal laws im-  
 2 pacting postsecondary education.

3 “(C) Consumer information.

4 “(D) Providing information to institutions  
 5 of higher education for institutional and pro-  
 6 gram improvement.

7 “(E) To fulfill the IPEDS reporting obli-  
 8 gations of institutions of higher education and  
 9 reduce the reporting burden on institutions.

10 “(2) PUBLIC ACCESS TO INFORMATION.—The  
 11 IPEDS data components and new outcome metrics  
 12 collected under this section shall be included in the  
 13 IPEDS Data Center at the institution and program  
 14 specific level. Non-personally identifiable data shall  
 15 also be available to the public and widely dissemi-  
 16 nated through electronic transfer, or other means,  
 17 such as posting on the National Center for Edu-  
 18 cation Statistics’ website or other relevant place in  
 19 a way that does not allow for the disclosure or dis-  
 20 semination of any personally identifiable information  
 21 and shall fully comply with rules and regulations of  
 22 the National Center for Education Statistics for  
 23 data access.

24 “(e) INVOLVEMENT OF STAKEHOLDERS IN DEVEL-  
 25 OPING CALCULATION AND REPORTING STANDARDS.—In

1 carrying out this section, the Secretary shall consult exten-  
2 sively with institutions of higher education, State agencies  
3 of higher education, privacy advocates, education research-  
4 ers, statistical experts, students and their families.

5 “(f) PRIVACY, SECURITY, AND USE OF STUDENT  
6 UNIT RECORD INFORMATION.—

7 “(1) LIMITATIONS ON DISCLOSURE OF INFOR-  
8 MATION.—Personally identifiable information main-  
9 tained in the Federal student unit record data sys-  
10 tem established under this section shall only be dis-  
11 closed to—

12 “(A) students whose data is contained in  
13 the system, upon request, and in connection  
14 with their own personally identifiable informa-  
15 tion;

16 “(B) institutions of higher education or  
17 their contractors (subject to paragraph (2)), to  
18 the extent that such disclosures may be re-  
19 quired for purposes of data validation or correc-  
20 tion regarding the data that institutions or  
21 their contractors already submitted, provided  
22 that no student-level data elements from other  
23 sources are disclosed to such institutions of  
24 higher education or their contractors;

1           “(C) employees or contractors of the De-  
2           partment to the extent that such disclosure is  
3           necessary for the Secretary to carry out the re-  
4           quirements of this section, and, in the case of  
5           contractors, subject to paragraph (2); or

6           “(D) employees or contractors of the So-  
7           cial Security Administration, provided that such  
8           disclosures are limited to the minimum number  
9           of data elements needed to obtain earnings data  
10          specifically authorized in this section, and that  
11          no personally identifiable information from the  
12          student unit record data system is retained by  
13          the Social Security Administration after they  
14          have provided earnings data.

15          “(2) REQUIREMENTS FOR CONTRACTS.—In car-  
16          rying out the requirements of this section, the Sec-  
17          retary and institutions of higher education may not  
18          disclose personally identifiable information from  
19          records of students to a contractor, consultant, or  
20          other third party to whom the Secretary or institu-  
21          tion has delegated data collection and maintenance  
22          functions unless that contractor, consultant, or other  
23          third party—

1           “(A) is performing a function or task for  
2           which the Department, or institution of higher  
3           education would otherwise use employees;

4           “(B) is under the direct control of the De-  
5           partment or institution with respect to the use  
6           and maintenance of education records;

7           “(C) does not use the education records for  
8           any other purposes than those explicitly author-  
9           ized in its contract and agrees to not re-disclose  
10          personally identifiable information to any third  
11          party;

12          “(D) uses applicable Federally mandated  
13          or industry-standard encryption technologies;

14          “(E) has sufficient administrative and  
15          technical procedures to maintain safeguards  
16          and continuously monitor the security of per-  
17          sonally identifiable information in its custody;

18          “(F) provides training to all employees and  
19          responsible individuals, to ensure the security of  
20          education records;

21          “(G) provides to the Department or insti-  
22          tution, an acceptable breach remediation plan  
23          prior to the initial receipt of education records;

24          “(H) reports all actual and suspected secu-  
25          rity breaches to the Department or institution

1           that provided the education records as soon as  
2           detected;

3           “(I) in the event of a security breach or  
4           unauthorized disclosure of personally identifi-  
5           able information, pay all costs and liabilities in-  
6           curred by the Department or institution related  
7           to the security breach or unauthorized disclo-  
8           sure, including costs related to inquiries, miti-  
9           gation, notification, and investigation costs; and

10          “(J) destroys or returns to the Depart-  
11          ment or institution all such personally identifi-  
12          able information that has been submitted into  
13          the student unit record system upon request of  
14          the Department or institution at the termi-  
15          nation of the contract.

16          “(3) DATA AUDIT AND DATA GOVERNANCE SYS-  
17          TEMS.—In order to ensure compliance with all Fed-  
18          eral standards of data quality and individual privacy,  
19          the student unit record data system developed under  
20          this section shall include—

21                 “(A) a data audit system assessing data  
22                 quality;

23                 “(B) a breach audit system;

24                 “(C) processes for data safeguarding; and

25                 “(D) a data governance system.

1 “(4) PROHIBITION AND UNAUTHORIZED USE.—

2 “(A) IN GENERAL.—Individual data col-  
3 lected under this section shall not be used for  
4 any purpose not specifically authorized by this  
5 section.

6 “(B) NO FUTURE ACTION TAKEN AGAINST  
7 AN INDIVIDUAL.—

8 “(i) IN GENERAL.—No action of Fed-  
9 eral authority, State authority, or local au-  
10 thority of any kind may be taken against  
11 an individual by utilizing the student unit  
12 record data system established under this  
13 section nor shall the student unit record  
14 data system established under this section  
15 be used—

16 “(I) for purposes of—

17 “(aa) establishing or  
18 verifying the eligibility of appli-  
19 cants for, or recipients or bene-  
20 ficiaries of, cash or in-kind as-  
21 sistance or payments under Fed-  
22 eral benefit programs; or

23 “(bb) continuing compliance  
24 with statutory and regulatory re-  
25 quirements for such assistance or

1 payments by such applicants, re-  
2 cipients, or beneficiaries;

3 “(II) for recouping payments or  
4 delinquent debts under such Federal  
5 benefit programs; or

6 “(III) to affect future edu-  
7 cational, employment, health, civil,  
8 criminal, or other actions against an  
9 individual whose information is main-  
10 tained by the student unit record data  
11 system.

12 “(ii) EXCEPTION.—Any data col-  
13 lected, stored outside of the unit record  
14 system prior to enactment of the Higher  
15 Education Affordability Act, and used for  
16 enforcement actions, including data in the  
17 National Student Loan Data System, shall  
18 continue to be used for those purposes  
19 even when duplicates of the data are in-  
20 cluded in the unit record system.

21 “(C) GUIDELINES.—The Secretary shall  
22 issue guidelines to institutions regarding the  
23 need to amend the institutions’ required annual  
24 privacy notices to reference the data collection  
25 required under this section.

1           “(D) COMMERCIAL USE PROHIBITED.—No  
2           data collected or maintained under this section  
3           shall sold to third parties nor used to market  
4           any products to individuals whose data is col-  
5           lected under this section.

6           “(5) INDIVIDUAL PRIVACY AND ACCESS TO  
7           DATA.—Prior to implementation of this section, the  
8           Secretary shall publish for public comment proposed  
9           procedures that ensure—

10           “(A) the system developed under this sec-  
11           tion does not disclose any personally identifiable  
12           information and complies with the requirements  
13           of section 444 of the General Education Provi-  
14           sions Act (20 U.S.C. 1232g) (commonly known  
15           as the ‘Family Educational Rights and Privacy  
16           Act’) and other applicable Federal and State  
17           privacy laws; and

18           “(B) there is a policy on the use of data  
19           collected under this section that prevents any  
20           use of data outside of the purposes of this sec-  
21           tion.

22           “(g) PENALTIES FOR UNAUTHORIZED DISCLOSURE  
23           OF DATA.—Any individual who willfully discloses any per-  
24           sonally identifiable information, including personal identi-  
25           fiers, provided under this section, in any manner to an

1 entity not authorized to receive such personally identifi-  
2 able information, shall be charged with a class E felony,  
3 punishable by up to 5 years in prison, a fine of \$250,000,  
4 or both.

5       “(h) WEBSITE AND HOTLINE.—The Secretary shall  
6 establish a website and free hotline number that will pro-  
7 vide information to students, their families, and the public  
8 about the student unit record data system established  
9 under this section to answer any questions the public may  
10 have about such system.

11       “(i) COOPERATION OF OTHER FEDERAL AGEN-  
12 CIES.—The Commissioner of Social Security shall work  
13 with the Secretary of Education to establish a process for  
14 matching and obtaining the data required under sub-  
15 section (c)(3)(E).

16       “(j) DATA SOVEREIGNTY.—The Secretary shall en-  
17 sure all data maintained in the student unit record system  
18 are stored within the boundaries of the United States or  
19 in a facility owned and controlled by a contractor subject  
20 to the legal jurisdiction of the United States.”.

**PART H—PROGRAM INTEGRITY**

**SEC. 496. PUBLIC DISCLOSURE OF FINALIZED ACCREDITATION DOCUMENTS; PROHIBITION ON PRE-DISPUTE ARBITRATION MANDATES.**

(a) REQUIREMENTS FOR ACCREDITING AGENCIES OR ASSOCIATIONS.—Section 496 (20 U.S.C. 1099b) is amended—

(1) in subsection (a)—

(A) in paragraph (7), by striking “and” after the semicolon;

(B) in paragraph (8), by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

“(9) such agency or association does not require any institution to enter into predispute arbitration agreements with the students of the institution; and

“(10) such agency or association shall comply with the requirements of section 444 of the General Education Provisions Act (commonly known as the ‘Family Educational Rights and Privacy Act of 1974’) (20 U.S.C. 1232g).”;

(2) in subsection (c)—

(A) in paragraph (3)(A), by striking “section 487(f)” and inserting “section 487(e)”;

1 (B) in paragraph (8), by striking “and”  
 2 after the semicolon;

3 (C) in paragraph (9)(B), by striking the  
 4 period at the end and inserting “; and”; and

5 (D) by adding at the end the following:

6 “(10) makes available on the website of the  
 7 agency or association, for each institution subject to  
 8 its jurisdiction, the accreditation documents relating  
 9 to academic and institutional quality, as described in  
 10 subsection (o), for the most recent accreditation pe-  
 11 riod.”;

12 (3) by redesignating subsections (o) through (q)  
 13 as subsections (p) through (r), respectively; and

14 (4) by inserting after subsection (n) the fol-  
 15 lowing:

16 “(o) FINALIZED ACCREDITATION DOCUMENTS RE-  
 17 LATING TO ACADEMIC AND INSTITUTIONAL QUALITY.—

18 “(1) IN GENERAL.—The finalized accreditation  
 19 documents relating to academic and institutional  
 20 quality that are subject to the requirements of sub-  
 21 section (c)(10) and section 487(a)(21) shall be any  
 22 final report or analysis of the agency or association,  
 23 as determined by the Secretary in consultation with  
 24 the National Advisory Committee on Institutional  
 25 Quality and Integrity, regarding whether an institu-

tion or program is in compliance with the standards of the agency or association, including—

“(A) any finalized self-study report prepared by the institution or program that includes the assessment of educational quality and the institution’s or program’s continuing efforts to improve educational quality;

“(B) any finalized report by the accrediting agency or association on each on-site review conducted of the institution or program (including any written response by the institution or program to such report);

“(C) any finalized written report by the accrediting agency or association assessing the institution or program’s compliance with the accrediting standards and the institution or program’s performance with respect to student achievement;

“(D) the documents required under section 496(c)(7) relating to any adverse accrediting agency or association action regarding the institution or program, including any decision of final denial, withdrawal, suspension, or termination of accreditation, placement on probation,

1 or other adverse action, and all supporting doc-  
2 umentation for such action; and

3 “(E) a summary by the accrediting agency  
4 or association that clearly explains to the public  
5 the overall assessment, including key concerns,  
6 of the relevant institution or program.

7 “(2) APPEALS PROCESS FOR FINALIZED AC-  
8 CREDITATION DOCUMENTS.—The Secretary shall es-  
9 tablish a clear and accessible process for an institu-  
10 tion of higher education to appeal the public release  
11 of finalized accreditation documents under para-  
12 graph (1).

13 “(p) SINGLE WEBPAGE TO FINALIZED ACCREDITA-  
14 TION DOCUMENTS.—

15 “(1) IN GENERAL.—The Secretary shall estab-  
16 lish and maintain a webpage on the website of the  
17 Department that provides a single point of access to  
18 the finalized accreditation documents relating to the  
19 academic and institutional quality that institutions  
20 of higher education are required to make available  
21 under section 487(a)(21).

22 “(2) PUBLIC EXPLANATION REGARDING RE-  
23 DACTED OR UNAVAILABLE INFORMATION.—If the  
24 Secretary makes a decision to delay the release of  
25 the finalized accreditation documents, or to redact

1 information from any such documents, for an insti-  
 2 tution of higher education, the Secretary shall in-  
 3 clude a public explanation of such decision on the  
 4 webpage described in paragraph (1).”.

5 **SEC. 497. IMPROVED TARGETING OF PROGRAM REVIEWS.**

6 Section 498(k)(1) (20 U.S.C. 1099c(k)(1)) is amend-  
 7 ed by striking “section 487(f)” and inserting “section  
 8 487(e)”.

9 **SEC. 498. PROGRAM REVIEW AND DATA.**

10 Section 498A (20 U.S.C. 1099c–1) is amended to  
 11 read as follows:

12 **“SEC. 498A. PROGRAM REVIEW AND DATA.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) EXECUTIVE COMPENSATION.—The term  
 15 ‘executive compensation’, when used with respect to  
 16 an institution of higher education, means the wages,  
 17 salary, fees, commissions, fringe benefits, deferred  
 18 compensation, retirement contributions, options, bo-  
 19 nuses, property, and any other form of remuneration  
 20 that the Secretary determines is appropriate, given  
 21 to the 5 percent of employees at the institution who  
 22 are the highest compensated.

23 “(2) RELEVANT FEDERAL AGENCY.—The term  
 24 ‘relevant Federal agency’ means—

25 “(A) the Department of Education;

1 “(B) the Department of Veterans Affairs;

2 “(C) the Department of Defense;

3 “(D) the Bureau of Consumer Financial  
4 Protection;

5 “(E) the Federal Trade Commission; or

6 “(F) any other Federal agency that pro-  
7 vides Federal student assistance or that the  
8 Secretary determines appropriate.

9 “(3) RELEVANT STATE ENTITY OR AGENCY.—

10 The term ‘relevant State entity or agency’ means—

11 “(A) an appropriate State licensing or au-  
12 thorizing agency;

13 “(B) the attorney general (or the equiva-  
14 lent thereof) of the State; or

15 “(C) any other State entity or agency that  
16 the Secretary determines appropriate.

17 “(b) PROGRAM REVIEWS FOR INSTITUTIONS PAR-  
18 TICIPATING UNDER TITLE IV.—

19 “(1) IN GENERAL.—The Secretary—

20 “(A) is authorized to conduct program re-  
21 views, including on-site visits, of each institu-  
22 tion of higher education participating in a pro-  
23 gram authorized under this title; and

24 “(B) shall conduct a program review under  
25 this subsection of each institution of higher

1 education that poses a significant risk of failure  
 2 to comply with this title, as described in para-  
 3 graphs (2) and (3).

4 “(2) MANDATORY REVIEWS.—

5 “(A) IN GENERAL.—The Secretary shall,  
 6 on an annual basis, conduct program reviews of  
 7 each institution of higher education partici-  
 8 pating in a program authorized under this title  
 9 that meets 1 or more of the following criteria:

10 “(i) As of the date of the determina-  
 11 tion—

12 “(I) more than 15 percent of the  
 13 students enrolled at the institution  
 14 have received a Federal Direct Unsub-  
 15 sidized Stafford Loan during the pre-  
 16 vious year; and

17 “(II) the institution has a cohort  
 18 default rate, as defined in section  
 19 435(m), that is more than 20 percent.

20 “(ii) As of the date of the determina-  
 21 tion—

22 “(I) the institution has a cohort  
 23 default rate, as defined in section  
 24 435(m), that exceeds the national av-

1 erage, as determined by the Secretary  
2 in accordance with such section; and

3 “(II) the institution has an ag-  
4 gregate amount of defaulted loans, as  
5 determined by the Secretary, that  
6 places the institution in the highest 1  
7 percent of institutions participating in  
8 programs authorized under this title  
9 in terms of the aggregate amount of  
10 defaulted loans.

11 “(iii) In the case of proprietary insti-  
12 tutions of higher education, the institution  
13 received more than 80 percent of the insti-  
14 tution’s revenues from Federal funds as  
15 defined in section 102(b)(2)(B), during the  
16 2 most recent years for which data is avail-  
17 able.

18 “(iv) The institution is among the top  
19 1 percent of institutions participating in  
20 programs authorized under this title in  
21 terms of numbers or rates of complaints  
22 related to Federal student financial aid,  
23 educational practices and services, or re-  
24 cruiting and marketing practices, as re-

1           ported in the complaint tracking system  
2           established under section 161.

3           “(v) As of the date of the determina-  
4           tion, the institution is among the top 1  
5           percent of institutions in terms of low  
6           graduation rates, as determined by the  
7           Secretary, of all institutions participating  
8           in programs authorized under this title.

9           “(vi) The institution spends more  
10          than 20 percent of the institution’s reve-  
11          nues on recruiting and marketing activities  
12          and executive compensation.

13          “(vii) In the fiscal year immediately  
14          following the most recent cohort default  
15          rate period—

16                 “(I) the institution’s loan de-  
17                 faults increased by 50 percent or  
18                 more as compared to the preceding  
19                 period; and

20                 “(II) more than 50 percent of  
21                 the students attending the institution  
22                 received loans under this title.

23          “(viii) The institution has been put on  
24          probation by, or is subject to a show cause  
25          order from, a nationally recognized accred-

1           iting agency or association that is recog-  
2           nized by the Secretary pursuant to part H  
3           of title IV;

4           “(ix) The institution, or an executive  
5           of the institution, has publicly acknowl-  
6           edged or disclosed that the institution—

7                   “(I) is in violation or noncompli-  
8                   ance with any provision of law admin-  
9                   istered by a relevant Federal agency  
10                  or relevant State entity or agency; or

11                  “(II) is being investigated re-  
12                  garding a potential violation of such  
13                  provision of law.

14           “(x) The institution—

15                   “(I) is a proprietary institution  
16                   of higher education that has acquired  
17                   a nonprofit institution of higher edu-  
18                   cation at any point during the 1-year  
19                   period preceding the date of the deter-  
20                   mination; or

21                   “(II) was a proprietary institu-  
22                   tion of higher education and has be-  
23                   come a nonprofit institution of higher  
24                   education at any time during the 1-

1                   year period preceding the date of the  
2                   determination.

3                   “(B) PUBLICATION OF INSTITUTIONS RE-  
4                   VIEWED.—The Secretary shall—

5                   “(i) post, on a publicly available  
6                   website, the name of each institution of  
7                   higher education that is reviewed under  
8                   subparagraph (A);

9                   “(ii) indicate, on such website, with  
10                  respect to each such institution, which of  
11                  the mandatory review criteria, as described  
12                  in subparagraph (A), such institution met;  
13                  and

14                  “(iii) indicate on the College Navi-  
15                  gator website of the Department, or any  
16                  successor website, the name of each insti-  
17                  tution of higher education that is reviewed  
18                  under subparagraph (A).

19                  “(C) INSTITUTIONAL DISCLOSURE OF RE-  
20                  VIEW.—Each institution of higher education  
21                  that is reviewed under subparagraph (A)  
22                  shall—

23                  “(i) post on the home page of the in-  
24                  stitution’s website that the institution will  
25                  be subject to a mandatory program review

1 and why the institution is being reviewed  
2 and shall maintain such posting and expla-  
3 nation for 1 year or until the Secretary has  
4 issued its final program review report  
5 under subsection (c)(5)(C), whichever oc-  
6 curs sooner;

7 “(ii) provide a clear, conspicuous dis-  
8 closure of the information described in  
9 clause (i) to students who inquire about  
10 admission to the institution or submit an  
11 application for admission to the institution  
12 prior to the student signing an enrollment  
13 agreement with the institution, for 1 year  
14 or until the Secretary has issued the final  
15 program review report under subsection  
16 (c)(6)(C), whichever occurs sooner; and

17 “(iii) include the information de-  
18 scribed in clause (i) on materials of accept-  
19 ance or admission submitted to each stu-  
20 dent before the student enrolls in the insti-  
21 tution, for 1 year or until the Secretary  
22 has issued the final program review report  
23 under subsection (c)(6)(C), whichever oc-  
24 curs sooner.

25 “(3) RISK-BASED REVIEWS.—

1           “(A) IN GENERAL.—The Secretary shall  
2           use a risk-based approach to select, on an an-  
3           nual basis not less than 2 percent of institu-  
4           tions of higher education participating in a pro-  
5           gram authorized under this title that are not  
6           reviewed under paragraph (2), for a program  
7           review. This approach shall prioritize program  
8           reviews of institutions that—

9                   “(i) have received large increases in  
10                  funding under this title during the 5-year  
11                  period preceding the date of the determina-  
12                  tion;

13                  “(ii) have a large proportion of overall  
14                  revenue from Federal funds, as defined in  
15                  section 102(b)(2)(B);

16                  “(iii) have a significant fluctuation in  
17                  Federal Direct Stafford Loan volume, Fed-  
18                  eral Pell Grant award volume, or any com-  
19                  bination thereof, in the year for which the  
20                  determination is made, compared to the  
21                  year prior to such year, that is not ac-  
22                  counted for by changes in the Federal Di-  
23                  rect Stafford Loan program, the Federal  
24                  Pell Grant program, or any combination  
25                  thereof;

1           “(iv) have experienced sharp increases  
2           in enrollment in absolute numbers or rate  
3           of growth;

4           “(v) have high rates of defaults, rel-  
5           ative to all other institutions of higher edu-  
6           cation participating in a program author-  
7           ized under this title, for loans issued under  
8           this title over the lifetime of the loans;

9           “(vi) have a large aggregate dollar  
10          amount of loans under this title in default,  
11          or a high cohort default rate as described  
12          in section 435(m);

13          “(vii) have a high student default  
14          risk, as compared to the student default  
15          risk for all institutions participating in a  
16          program under this title;

17          “(viii) have a high proportion or high  
18          rate of complaints related to Federal stu-  
19          dent financial aid, educational practices  
20          and services, or recruiting and marketing  
21          practices, as reported in the complaint  
22          tracking system established under section  
23          161;

24          “(ix) have extremely low graduation  
25          rates, as determined by the Secretary;

1           “(x) are in poor financial health ac-  
2           cording to financial responsibility stand-  
3           ards described in section 498(c);

4           “(xi) are spending a large percentage  
5           of the institution’s revenues on recruiting  
6           and marketing activities and executive  
7           compensation;

8           “(xii) in the case of proprietary insti-  
9           tutions of higher education, have large  
10          profit margins and profit growth;

11          “(xiii) have been put on notice or  
12          warning by its accrediting agency;

13          “(xiv) has been found to have compli-  
14          ance problems under this title, or is at sig-  
15          nificant risk of failing to comply with ap-  
16          plicable Federal or State laws, by a rel-  
17          evant Federal agency or a relevant State  
18          entity or agency, including the Comptroller  
19          General of the United States;

20          “(xv) has had a large amount of funds  
21          returned under section 484B; or

22          “(xvi) in the case of proprietary insti-  
23          tutions of higher education, have experi-  
24          enced a change in ownership or control of  
25          the institution, including a buyout.

1           “(B) CRITERIA FOR RISK-BASED RE-  
2           VIEWS.—The Secretary shall publish, and up-  
3           date as necessary, the specific criteria that the  
4           Secretary will use to determine which institu-  
5           tions of higher education are selected for risk-  
6           based reviews under subparagraph (A).

7           “(4) PUBLIC DISCLOSURE OF VIOLATIONS.—  
8           The Secretary shall—

9           “(A) post on the College Navigator  
10          website, or any successor website, of the De-  
11          partment, the name of each institution of high-  
12          er education that is found to have violated a  
13          provision of this title knowingly and willfully or  
14          with gross negligence;

15          “(B) indicate on such website, with respect  
16          to each such institution, which of the provisions  
17          of this title the institution violated; and

18          “(C) maintain such posting until the date  
19          the institution of higher education rectifies the  
20          violation or the date that is 1 year after the  
21          date the Secretary issues the final program re-  
22          view report under subsection (c)(6)(C) with re-  
23          spect to such institution, whichever date is  
24          later.

1           “(5) INSTITUTIONAL DISCLOSURE OF VIOLA-  
2           TIONS.—Each institution of higher education that is  
3           found to have violated a provision of this title know-  
4           ingly and willfully or with gross negligence shall—

5                   “(A) not later than 15 days after the date  
6                   of issuance of the final program review report  
7                   containing the finding, post on the home page  
8                   of the institution’s website that the institution  
9                   has been found to have violated a provision of  
10                  this title knowingly and willfully or with gross  
11                  negligence, including the provision the institu-  
12                  tion was found to have violated;

13                   “(B) maintain such posting until the date  
14                   the institution rectifies the violation or the date  
15                   that is 1 year after the date the Secretary  
16                   issues the final program review report under  
17                   subsection (c)(6)(C) with respect to such insti-  
18                   tution, whichever date is later; and

19                   “(C) include the information described in  
20                   subparagraph (A) on materials of acceptance or  
21                   admission submitted to each student before the  
22                   student enrolls in the institution until the date  
23                   the institution rectifies the violation or the date  
24                   that is 1 year after the date the Secretary  
25                   issues the final program review report under

1 subsection (c)(6)(C) with respect to such insti-  
2 tution, whichever date is later.

3 “(c) CHARACTERISTICS OF PROGRAM REVIEWS.—

4 “(1) NOTICE.—The Secretary may give not  
5 more than 72 hours notice to an institution of high-  
6 er education that will undergo a program review  
7 pursuant to subsection (b) of such review.

8 “(2) SHARING OF INFORMATION.—The Sec-  
9 retary shall share all final program review deter-  
10 minations conducted under this section with relevant  
11 Federal agencies and relevant State entities or agen-  
12 cies, and appropriate accrediting agencies and asso-  
13 ciations, to enable such agencies, entities, and asso-  
14 ciations to determine the eligibility of institutions for  
15 funds or accreditation.

16 “(3) INTERACTION WITH OTHER FEDERAL  
17 AGENCIES AND LAWS.—To the extent practicable,  
18 the Secretary shall coordinate program reviews con-  
19 ducted under this section with other reviews and au-  
20 dits conducted by the Department, and with relevant  
21 Federal agencies and relevant State entities or agen-  
22 cies.

23 “(4) VIOLATIONS DISCOVERED THROUGH PRO-  
24 GRAM REVIEW.—

1           “(A) VIOLATIONS OF THIS TITLE.—If, in  
2           the course of conducting a program review, the  
3           Secretary obtains evidence that any institution  
4           of higher education or person has engaged in  
5           conduct that may constitute a violation of this  
6           title, including a failure to fully comply with the  
7           program review process and reporting require-  
8           ments under this section, the Secretary may  
9           sanction such institution or person, pursuant to  
10          section 489A.

11          “(B) VIOLATIONS OF OTHER FEDERAL  
12          LAWS.—If, in the course of conducting a pro-  
13          gram review, the Secretary obtains evidence  
14          that any institution of higher education or per-  
15          son has engaged in conduct that may constitute  
16          a violation of Federal law, the Secretary shall  
17          transmit such evidence to the Attorney General  
18          of the United States, the Director of the Bu-  
19          reau of Consumer Financial Protection, the  
20          Commissioner of the Federal Trade Commis-  
21          sion, or the head of any other appropriate Fed-  
22          eral agency who may institute proceedings  
23          under appropriate law.

24          “(C) RULE OF CONSTRUCTION.—Nothing  
25          in this paragraph shall be constructed to affect

1           any other authority of the Secretary to disclose  
2           information.

3           “(5) CONDUCT OF REVIEWS.—When conducting  
4           program reviews under this section, the Secretary  
5           shall assess the institution of higher education’s  
6           compliance with the provisions of this title. Each  
7           program review shall include, at a minimum, the fol-  
8           lowing:

9                   “(A) With regard to the institutional infor-  
10                  mation, the Secretary shall assess financial ca-  
11                  pability, administrative capability, and program  
12                  integrity, including whether the institution—

13                           “(i) knowingly and willfully misused  
14                           Federal student aid from any source;

15                           “(ii) violated section 487(a)(20);

16                           “(iii) engaged in any substantial mis-  
17                           representation or other serious violation, as  
18                           defined in section 489A; or

19                           “(iv) violated the program integrity  
20                           regulations promulgated by the Secretary  
21                           under this Act.

22                   “(B) With regard to student information,  
23           the Secretary shall examine—

1 “(i) graduation rates compared with  
2 all other institutions participating in a pro-  
3 gram authorized under this title;

4 “(ii) student complaints, including  
5 interviews with current and former stu-  
6 dents, faculty and staff, and accrediting  
7 agencies; and

8 “(iii) information from the complaint  
9 data system established under section 161.

10 “(6) ADMINISTRATIVE PROCESS.—

11 “(A) TRAINING.—The Secretary shall pro-  
12 vide training, including investigative training, to  
13 personnel of the Department designed to im-  
14 prove the quality of financial and compliance  
15 audits and program reviews conducted under  
16 this section, including instruction about appro-  
17 priately and effectively conducting such audits  
18 and reviews for institutions of higher education  
19 from different sectors of higher education.

20 “(B) CARRYING OUT PROGRAM RE-  
21 VIEWS.—In carrying out program reviews under  
22 this section, the Secretary shall—

23 “(i) establish guidelines designed to  
24 ensure uniformity of practice in the con-  
25 duct of such reviews;

1 “(ii) make available to each institu-  
2 tion of higher education participating in a  
3 program authorized under this title com-  
4 plete copies of all review guidelines and  
5 procedures used in program reviews, except  
6 that internal training materials for Depart-  
7 ment staff related to identifying instances  
8 of fraud, misrepresentation, or intentional  
9 noncompliance shall not be disclosed;

10 “(iii) permit an institution of higher  
11 education to correct or cure an administra-  
12 tive, accounting, or recordkeeping error  
13 within 90 days of the issuance of the final  
14 program review report, if the error is not  
15 part of a pattern of error and there is no  
16 evidence of fraud or misconduct related to  
17 the error;

18 “(iv) without sharing personally iden-  
19 tifiable information and in accordance with  
20 section 444 of the General Education Pro-  
21 visions Act (20 U.S.C. 1232g, commonly  
22 known as the ‘Family Educational Rights  
23 and Privacy Act of 1974’), inform the rel-  
24 evant Federal agencies and relevant State  
25 entities or agencies, and accrediting agency

1 or association, whenever the Secretary  
 2 finds a violation of this title or sanctions  
 3 an institution of higher education under  
 4 section 432, 489A, or 498; and

5 “(v) provide to an institution of high-  
 6 er education 90 calendar days to review  
 7 and respond to any program review report  
 8 and relevant materials related to the report  
 9 before any final program review report is  
 10 issued.

11 “(C) FINAL PROGRAM REVIEW DETER-  
 12 MINATION.—

13 “(i) IN GENERAL.—Not later than  
 14 180 calendar days after issuing a program  
 15 review report under this section, the Sec-  
 16 retary shall review and consider an institu-  
 17 tion of higher education’s response, and  
 18 issue a final program review determination  
 19 or audit determination. The final deter-  
 20 mination shall include—

21 “(I) a written statement address-  
 22 ing the institution of higher edu-  
 23 cation’s response;

24 “(II) a written statement of the  
 25 basis for such determination; and

1                   “(III) a copy of the institution’s  
2                   response.

3                   “(ii) CONFIDENTIALITY.—The Sec-  
4                   retary shall maintain and preserve at all  
5                   times the confidentiality of any program  
6                   review report until a final program review  
7                   determination is issued, other than to in-  
8                   form the relevant Federal agencies and rel-  
9                   evant State entities or agencies, and ac-  
10                  crediting agency or association, as required  
11                  under this section.

12                  “(D) REPORTS DISCLOSED TO THE INSTI-  
13                  TUTION.—The Secretary shall promptly disclose  
14                  each program review report and each final pro-  
15                  gram review determination to the institution of  
16                  higher education under review.

17                  “(E) REMOVAL OF PERSONALLY IDENTIFI-  
18                  ABLE INFORMATION.—Any personally identifi-  
19                  able information from the education records of  
20                  students shall be removed from any program re-  
21                  view report or final program review determina-  
22                  tion before the report is shared with any rel-  
23                  evant Federal agency, State entity or agency, or  
24                  accrediting agency or association.

1           “(7) FOLLOW-UP REVIEWS AFTER VIOLA-  
 2           TIONS.—The Secretary shall conduct follow-up re-  
 3           views of each institution of higher education that  
 4           has been found in violation of a provision of this  
 5           title not later than 1 year after the date of such  
 6           finding. Such follow-up reviews may only assess  
 7           whether the institution of higher education has cor-  
 8           rected violations found in a previous program review  
 9           or final program review determination.”.

10           **PART I—STATE-FEDERAL COLLEGE**

11           **AFFORDABILITY PARTNERSHIP**

12   **SEC. 499. STATE-FEDERAL COLLEGE AFFORDABILITY PART-**  
 13           **NERSHIP.**

14           Title IV of the Higher Education Act of 1965 (20  
 15   U.S.C. 1070 et seq.) is amended by adding at the end  
 16   the following:

17           **“PART J—STATE-FEDERAL COLLEGE**

18           **AFFORDABILITY PARTNERSHIP**

19   **“SEC. 499-1. PURPOSE.**

20           “The purpose of this part is to establish a State-Fed-  
 21   eral partnership that incentivizes State investment in pub-  
 22   lic higher education.

23   **“SEC. 499-2. DEFINITIONS.**

24           “In this part:

1           “(1) ELIGIBLE STATE.—The term ‘eligible  
2       State’ means a State that provides net State oper-  
3       ating support per FTE student in an amount equal  
4       to not less than 50 percent of the amount that re-  
5       flects the maximum Federal Pell Grant award  
6       amount.

7           “(2) FULL-TIME EQUIVALENT STUDENT NUM-  
8       BER.—The term ‘full-time equivalent student num-  
9       ber’ means a number that reflects the sum of the  
10      number of students enrolled full time at a public in-  
11      stitution of higher education in the State, plus the  
12      full-time equivalent of the number of students en-  
13      rolled part time (determined on the basis of the  
14      quotient of the sum of the credit hours of all part-  
15      time students divided by 12) at such institutions.  
16      The Secretary may establish a methodology for cal-  
17      culating the full-time equivalent student number and  
18      may offer guidance to States in determining the  
19      State’s full-time equivalent student number for pur-  
20      poses of this part.

21          “(3) NET STATE OPERATING SUPPORT.—The  
22      term ‘net State operating support’ means an amount  
23      that is equal to the amount of State funds and local  
24      government appropriations used to support public  
25      higher education annual operating expenses in the

1 State, calculated in accordance with subparagraphs  
2 (A) and (B).

3 “(A) CALCULATION.—A State’s net State  
4 operating support shall be an amount that is  
5 equal to the difference resulting from the gross  
6 amount of State funds annually appropriated  
7 for public higher education operating expenses  
8 in the State; minus—

9 “(i) such appropriations that are re-  
10 turned to the State;

11 “(ii) State-appropriated funds derived  
12 from Federal sources, including funds pro-  
13 vided under this part;

14 “(iii) local government funds not ap-  
15 propriated for operating support for public  
16 higher education;

17 “(iv) amounts that are portions of  
18 multi-year appropriations to be distributed  
19 over multiple years;

20 “(v) tuition charges remitted to the  
21 State to offset State appropriations;

22 “(vi) State funding for students in  
23 non-credit continuing or adult education  
24 courses and non-credit extension courses;

1 “(vii) sums appropriated to private  
 2 nonprofit institutions of higher education,  
 3 or to proprietary institutions of higher  
 4 education, for capital outlay or operating  
 5 expenses; and

6 “(viii) any other funds excluded under  
 7 subparagraph (B).

8 “(B) EXCLUSIONS.—Net State operating  
 9 support does not include funds for—

10 “(i) student aid programs that provide  
 11 grants to students attending in-State pri-  
 12 vate nonprofit institutions of higher edu-  
 13 cation, in-State proprietary institutions of  
 14 higher education, independent institutions,  
 15 in-State public institutions, and out-of-  
 16 State institutions;

17 “(ii) capital outlay;

18 “(iii) deferred maintenance;

19 “(iv) research and development; or

20 “(v) any other funds that the Sec-  
 21 retary may exclude.

22 “(4) NET STATE OPERATING SUPPORT PER FTE  
 23 STUDENT.—The term ‘Net State Operating Support  
 24 per FTE student’ means, for a fiscal year—

1           “(A) the net State operating support for  
2           the previous fiscal year; divided by

3           “(B) the full-time equivalent student num-  
4           ber for the previous fiscal year.

5           “(5) PUBLIC INSTITUTION.—The term ‘public  
6           institution’ means an institution of higher education  
7           (as defined in section 101) whose liabilities are  
8           backed by the full faith and credit of the State or  
9           its equivalent, as determined in accordance with sec-  
10          tion 668.15 of title 34, Code of Federal Regulations,  
11          or any successor regulation.

12          “(6) PRIVATE NONPROFIT INSTITUTION OF  
13          HIGHER EDUCATION.—The term ‘private nonprofit  
14          institution of higher education’ means an institution  
15          of higher education, as defined in section 102, that  
16          is a private nonprofit institution.

17          “(7) PROPRIETARY INSTITUTION OF HIGHER  
18          EDUCATION.—The term ‘proprietary institution of  
19          higher education’ has the meaning given the term in  
20          section 102(b).

21   **“SEC. 499–3. AUTHORIZATION; USE OF FUNDS.**

22          “(a) AUTHORIZATION.—The Secretary shall award  
23          annual block grants to eligible States to encourage States  
24          to provide additional funding for public higher education.

1       “(b) USE OF FUNDS BY STATES.—An eligible State  
2 receiving a block grant under this part shall allocate 100  
3 percent of block grant funding to public institutions for  
4 public higher education expenditures in accordance with  
5 subsection (c).

6       “(c) USE OF FUNDS BY PUBLIC INSTITUTIONS.—A  
7 public institution that receives funds under this title  
8 shall—

9               “(1) use a portion of such funds to directly re-  
10       duce tuition costs or mitigate the need to raise tui-  
11       tion and fees for students residing in the State;

12               “(2) use a portion of such funds to support the  
13       enrollment of low-income students (as measured by  
14       eligibility for Federal Pell Grants) in the institution;  
15       and

16               “(3) create a publicly available report that doc-  
17       uments an institution’s efforts to satisfy the require-  
18       ments described in paragraphs (1) and (2).

19       “(d) PROHIBITIONS.—

20               “(1) NO USE FOR ENDOWMENTS.—A public in-  
21       stitution may not use funds received under this title  
22       to increase its endowment.

23               “(2) NO USE FOR ATHLETIC OR COMMERCIAL  
24       VENUES.—No funds awarded under this title may be  
25       used for the modernization, renovation, or repair of

1 stadiums or other facilities of a public institution  
 2 primarily used for athletic contests or events for  
 3 which admission is charged to the general public.

4 “(e) STATE LIMITATIONS ON INSTITUTIONS.—Noth-  
 5 ing in this section shall be construed to prohibit a State  
 6 from establishing additional requirements for public insti-  
 7 tutions in the State for the purpose of increasing the af-  
 8 fordability of higher education.

9 **“SEC. 499–4. GRANT FORMULA.**

10 “(a) GRANT FORMULA.—The Secretary shall award  
 11 a block grant to an eligible State for a fiscal year in an  
 12 amount equal to the product of—

13 “(1) the marginal Federal match amount, as  
 14 determined under subsection (b) for the fiscal year  
 15 and adjusted in accordance with subsection (c); mul-  
 16 tiplied by

17 “(2) the full-time equivalent student number for  
 18 the previous fiscal year.

19 “(b) FEDERAL MATCH AMOUNT.—The Federal  
 20 match amount will be determined in accordance with the  
 21 following table:

<b>“Net State Operating Support Per FTE student</b>	<b>Federal match amount per FTE student</b>
Below \$2,865 .....	No match
\$2,865 to \$4,388 .....	20% of the excess over \$2,865
\$4,389 to \$5,443 .....	\$304.6, plus 30% of the excess over \$4,389
\$5,444 to \$6,303 .....	\$620.8, plus 40% of the excess over \$5,444

<b>“Net State Operating Support Per FTE student</b>	<b>Federal match amount per FTE student</b>
\$6,304 to \$7,449 .....	\$964.4, plus 50% of the excess over \$6,304
\$7,450 to \$8,595 .....	\$1,536.9, plus 10% of the excess over \$7,450
Above \$8,595 .....	No match above \$1,651.4.

1       “(c) ADJUSTMENTS BASED ON THE MAXIMUM FED-  
2 ERAL PELL GRANT AMOUNT.—For each award year sub-  
3 sequent to 2014, the dollar amounts in the table under  
4 subsection (b) shall only be increased (rounded to the  
5 nearest dollar) by the percentage by which—

6               “(1) the maximum Pell Grant award amount  
7       for such award year, exceeds

8               “(2) \$5,730.

9       “(d) RATABLE REDUCTION.—If the sums made avail-  
10 able under this part for any fiscal year are insufficient  
11 to pay the full amounts that all States are eligible to re-  
12 ceive in accordance with this section for such year, the  
13 Secretary shall establish procedures for ratably reducing  
14 each State’s award amount.

15 **“SEC. 499–5. ACCOUNTABILITY AND ENFORCEMENT.**

16       “(a) ANNUAL REPORT.—

17               “(1) IN GENERAL.—Beginning for the first fis-  
18 cal year after a State receives a block grant under  
19 this part, the State shall prepare and submit an an-  
20 nual report to the Secretary, which shall include de-  
21 tailed information about the State’s use of grant  
22 funds to increase the affordability of public higher

1 education and increase the enrollment of low-income  
2 students (as measured by eligibility for a Federal  
3 Pell Grant).

4 “(2) CONTENTS.—A report described in para-  
5 graph (1) shall—

6 “(A) describe all actions taken to  
7 incentivize public institutions to reduce tuition  
8 costs, or mitigate the need to raise tuition and  
9 fees for in-State students;

10 “(B) explain the extent to which public in-  
11 stitutions supported the enrollment of low-in-  
12 come students who are eligible for Federal Pell  
13 Grants or other need-based financial assistance;

14 “(C) disclose how the State distributed the  
15 allotment provided under this part to all public  
16 institutions, and the rationale for such distribu-  
17 tion;

18 “(D) include the aggregated graduation  
19 rates for low-income students (based on eligi-  
20 bility for Federal Pell Grants), part-time stu-  
21 dents, and transfer students, disaggregated by  
22 type of degree or credential; and

23 “(E) be publicly available in a manner that  
24 is easily accessible to parents, students, and  
25 consumer advocates.

1       “(b) MAINTAINING NET STATE OPERATING SUP-  
2 PORT PER FTE STUDENT.—

3               “(1) IN GENERAL.—Each State receiving an al-  
4 lotment under this part for a fiscal year shall—

5                       “(A) ensure that the amount expended by  
6 the State, from funds derived from non-Federal  
7 sources, for net State operating support per  
8 FTE student for the preceding fiscal year was  
9 not less than the amount expended by the State  
10 for net State operating support per FTE stu-  
11 dent for the second preceding fiscal year; and

12                      “(B) demonstrate the State’s compliance  
13 with subparagraph (A) by providing the Sec-  
14 retary with a written assurance and detailed  
15 documentation.

16               “(2) PENALTY.—If a State does not comply  
17 with paragraph (1), the State’s grant award under  
18 this part shall be reduced by an amount equal to the  
19 product of—

20                      “(A) the difference between—

21                               “(i) the net State operating support  
22 per FTE student for the second preceding  
23 fiscal year; minus

1                   “(ii) the net State operating support  
2                   per FTE student for the preceding fiscal  
3                   year; multiplied by

4                   “(B) the full-time equivalent student num-  
5                   ber for the previous fiscal year.

6           “(c) MAINTENANCE OF EFFORT FOR STATE-BASED  
7 FINANCIAL AID.—Each State receiving an allotment  
8 under this part for a fiscal year shall, as a condition of  
9 receiving the allotment, maintain the level of State student  
10 financial aid support provided for costs associated with  
11 postsecondary education at not less than the level of such  
12 support provided for the academic year immediately pre-  
13 ceding the year for which the State is receiving the allot-  
14 ment.

15           “(d) AUTHORITY TO COMPROMISE.—Notwith-  
16 standing subsections (b) and (c), the Secretary may waive  
17 any maintenance of support and effort requirement de-  
18 scribed in such subsections for a State if there is a clear  
19 case of a significant economic downturn in the State. Such  
20 determination shall only be made by the Secretary fol-  
21 lowing a written appeal by the State that documents re-  
22 cent and significant decreases in economic activity in the  
23 State.

1 **“SEC. 499–6. AUTHORIZATION OF APPROPRIATIONS.**

2 “There are authorized to be appropriated to carry out  
3 this part such sums as may be necessary for fiscal year  
4 2015 and each of the five succeeding fiscal years.”.

5 **TITLE V—DEVELOPING**  
6 **INSTITUTIONS**

7 **SEC. 501. RULE OF CONSTRUCTION.**

8 Section 501 (20 U.S.C. 1101) is amended—

9 (1) in the section heading, by striking “**AND**  
10 **PROGRAM AUTHORITY**” and inserting “**PRO-**  
11 **GRAM AUTHORITY; RULE OF CONSTRUCTION**”;  
12 and

13 (2) by adding at the end the following:

14 “(d) **RULE OF CONSTRUCTION.**—Nothing in this Act  
15 shall be construed to restrict an institution from using  
16 funds provided under a section of this title for activities  
17 and uses that were authorized under such section on the  
18 day before the date of enactment of the Higher Education  
19 Affordability Act.”.

20 **SEC. 502. AUTHORIZED ACTIVITIES UNDER PART A OF**  
21 **TITLE V.**

22 Section 503 (20 U.S.C. 1101b) is amended—

23 (1) by striking subsection (b) and inserting the  
24 following:

1       “(b) AUTHORIZED ACTIVITIES.—Grants awarded  
2 under this section shall be used for 1 or more of the fol-  
3 lowing activities:

4           “(1) The purchase, rental, or lease of edu-  
5 cational resources.

6           “(2) The construction, maintenance, renovation,  
7 or joint use and improvement of classrooms, librar-  
8 ies, laboratories, or other instructional facilities, in-  
9 cluding the integration of computer technology into  
10 institutional facilities to create smart buildings.

11          “(3) Support of faculty exchanges, faculty de-  
12 velopment, and faculty fellowships to assist members  
13 of the faculty in attaining advanced degrees in their  
14 field of instruction.

15          “(4) Student support services, including the de-  
16 velopment and improvement of academic programs,  
17 tutoring, counseling, school sanctioned travel, and fi-  
18 nancial literacy for students and families.

19          “(5) Improving funds management, administra-  
20 tive management, and the acquisition of equipment  
21 for use in strengthening funds management.

22          “(6) Maintaining financial stability through es-  
23 tablishing or developing a contributions development  
24 office or endowment fund.

1           “(7) Other activities proposed in the application  
2       submitted pursuant to section 521(b)(1) that—

3           “(A) contribute to carrying out the pur-  
4       poses of the program assisted under this part;  
5       and

6           “(B) are approved by the Secretary as part  
7       of the review and acceptance of such applica-  
8       tion.”; and

9       (2) in subsection (c)—

10           (A) in paragraph (2), by inserting “75 per-  
11       cent of” after “equal to or greater than”; and

12           (B) by adding at the end the following:

13           “(4) SCHOLARSHIP.—A Hispanic-serving insti-  
14       tution that uses grant funds under this title to es-  
15       tablish or increase an endowment fund may use the  
16       interest proceeds from such endowment to provide  
17       scholarships to students for the purposes of attend-  
18       ing such institution.”.

19   **SEC. 503. DURATION OF GRANTS UNDER TITLE V.**

20       Section 504 (20 U.S.C. 1101c) is amended by adding  
21   at the end the following:

22       “(c) REQUIREMENT FOR FOURTH AND FIFTH YEAR  
23   OF FUNDING.—

24           “(1) IN GENERAL.—Before receiving funding  
25       under this title for the fourth or fifth year of the

1 grant, each Hispanic-serving institution receiving a  
2 grant under this title shall demonstrate to the Sec-  
3 retary that the institution is making progress in im-  
4 plementing the activities described in the institu-  
5 tion's application under section 521(b)(1) at a rate  
6 that the Secretary determines will result in the full  
7 implementation of those activities during the remain-  
8 der of the grant period.

9 “(2) CONSIDERATION OF DATA AND INFORMA-  
10 TION.—The Secretary shall consider any data or in-  
11 formation provided to the Department by grantees  
12 for the continued receipt of grants under this title  
13 under paragraph (1) that is considered in accord-  
14 ance with regulations issued by the Secretary before  
15 the date of enactment of the Higher Education Af-  
16 fordability Act. Any requirements the Secretary de-  
17 velops for institutions in accordance with regulations  
18 issued by the Secretary after the date of enactment  
19 of the Higher Education Affordability Act to carry  
20 out this subsection shall take into account the capac-  
21 ity and resources of institutions to comply with such  
22 requirements.”.

1 **SEC. 504. AUTHORIZED ACTIVITIES UNDER PART B OF**  
2 **TITLE V.**

3 Section 513 (20 U.S.C. 1102b) is amended to read  
4 as follows:

5 **“SEC. 513. AUTHORIZED ACTIVITIES.**

6 “Grants awarded under this part shall be used for  
7 1 or more of the following activities:

8 “(1) The purchase, rental, or lease of edu-  
9 cational resources.

10 “(2) The construction, maintenance, renovation,  
11 or joint use and improvement of classrooms, librar-  
12 ies, laboratories, or other instructional facilities, in-  
13 cluding the integration of computer technology into  
14 institutional facilities to create smart buildings.

15 “(3) Support of faculty exchanges, faculty de-  
16 velopment, and faculty fellowships to assist members  
17 of the faculty in attaining advanced degrees in their  
18 field of instruction.

19 “(4) Support for low-income postbaccalaureate  
20 students, including outreach, academic support serv-  
21 ices, mentoring, scholarships, fellowships, and other  
22 financial assistance to permit the enrollment of low-  
23 income students in postbaccalaureate certificate pro-  
24 grams and postbaccalaureate degree granting pro-  
25 grams.

1           “(5) Collaboration with other institutions of  
2           higher education to expand postbaccalaureate certifi-  
3           cate and postbaccalaureate degree offerings.

4           “(6) Other activities proposed in the applica-  
5           tions submitted pursuant to section 514(a) and sec-  
6           tion 521(b)(1) that—

7                   “(A) contribute to carrying out the pur-  
8                   poses of this part; and

9                   “(B) are approved by the Secretary as part  
10                  of the review and acceptance of such applica-  
11                  tion.”.

12 **SEC. 505. DURATION OF GRANTS UNDER PART B OF TITLE**

13 **V.**

14           Section 514 (20 U.S.C. 1102c) is amended by adding  
15           at the end the following:

16           “(d) REQUIREMENT FOR FOURTH AND FIFTH YEAR  
17           OF FUNDING.—

18                   “(1) IN GENERAL.—Before receiving funding  
19                   under this part for the fourth or fifth year of the  
20                   grant, each Hispanic-serving institution receiving a  
21                   grant under this part shall demonstrate to the Sec-  
22                   retary that the institution is making progress in im-  
23                   plementing the activities described in the institu-  
24                   tion’s applications under subsection (a) and section  
25                   521(b)(1) at a rate that the Secretary determines

1 will result in the full implementation of those activi-  
2 ties during the remainder of the grant period.

3 “(2) CONSIDERATION OF DATA AND INFORMA-  
4 TION.—The Secretary shall consider any data or in-  
5 formation provided to the Department by grantees  
6 for the continued receipt of grants under this title  
7 under paragraph (1) that is considered in accord-  
8 ance with regulations issued by the Secretary before  
9 the date of enactment of the Higher Education Af-  
10 fordability Act. Any requirements the Secretary de-  
11 velops for institutions in accordance with regulations  
12 issued by the Secretary after the date of enactment  
13 of the Higher Education Affordability Act to carry  
14 out this subsection shall take into account the capac-  
15 ity and resources of institutions to comply with such  
16 requirements.”.

17 **SEC. 506. WAIVER AUTHORITY; REPORTING REQUIREMENT;**  
18 **TECHNICAL ASSISTANCE.**

19 Part C of title V (20 U.S.C. 1103 et seq.) is further  
20 amended—

21 (1) by redesignating section 528 as section 529;

22 and

23 (2) by inserting after section 527 the following:

1   **“SEC. 528. TECHNICAL ASSISTANCE.**

2           “(a) IN GENERAL.—The Secretary shall provide tech-  
3   nical assistance, as requested, to institutions that receive  
4   grants under part A or B to assist such institutions in  
5   the use or development of student data for the purposes  
6   of supporting students’ progress and completion at such  
7   institutions.

8           “(b) REQUIREMENTS.—In order to provide institu-  
9   tions with the assistance necessary to carry out this sec-  
10   tion, institutions who receive grants under part A shall  
11   report to the Secretary on—

12           “(1) the number and percentage of under-  
13   graduate students who, upon entry into the institu-  
14   tion, matriculate into a major field of study or other  
15   program leading to a postsecondary certificate, an  
16   associate’s degree, or a baccalaureate degree;

17           “(2) student persistence data for the institu-  
18   tion’s undergraduates, demonstrating how many stu-  
19   dents are continuously enrolled in the institution,  
20   which shall be measured in a manner proposed by  
21   the institution and approved by the Secretary; and

22           “(3) data on the number of undergraduate stu-  
23   dents making satisfactory academic progress, as de-  
24   fined in regulations promulgated by the Department  
25   at the time such data is reported.”.

1 **SEC. 507. AUTHORIZATIONS OF APPROPRIATIONS FOR DE-**  
2 **VELOPING INSTITUTIONS.**

3 Section 529(a), as redesignated by paragraph (1) of  
4 section 506, is amended—

5 (1) in paragraph (1), by striking  
6 “\$175,000,000 for fiscal year 2009 and such sums  
7 as may be necessary for each of the five succeeding  
8 fiscal years” and inserting “such sums as may be  
9 necessary for fiscal year 2015 and such sums as  
10 may be necessary for each of the five succeeding fis-  
11 cal years”; and

12 (2) in paragraph (2), by striking  
13 “\$100,000,000 for fiscal year 2009 and such sums  
14 as may be necessary for each of the five succeeding  
15 fiscal years” and inserting “such sums as may be  
16 necessary for fiscal year 2015 and such sums as  
17 may be necessary for each of the five succeeding fis-  
18 cal years”.

19 **TITLE VI—INTERNATIONAL**  
20 **EDUCATION PROGRAMS**

21 **SEC. 601. TECHNICAL AND CONFORMING AMENDMENT.**

22 Section 631(a)(2) (20 U.S.C. 1132(a)(2)) is amended  
23 by striking “and” after the semicolon.

1 **SEC. 602. AUTHORIZATION OF APPROPRIATIONS FOR**  
2 **INTERNATIONAL AND FOREIGN LANGUAGE**  
3 **STUDIES.**

4 Section 610 (20 U.S.C. 1128b) is amended by strik-  
5 ing “2009” and inserting “2015”.

6 **SEC. 603. AUTHORIZATION OF APPROPRIATIONS FOR BUSI-**  
7 **NESS AND INTERNATIONAL EDUCATION PRO-**  
8 **GRAMS.**

9 Section 614 (20 U.S.C. 1130b) is amended—

10 (1) in subsection (a), by striking “2009” and  
11 inserting “2015”; and

12 (2) in subsection (b), by striking “2009” and  
13 inserting “2015”.

14 **SEC. 604. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
15 **INSTITUTE FOR INTERNATIONAL PUBLIC**  
16 **POLICY.**

17 Section 629 (20 U.S.C. 1131f) is amended by strik-  
18 ing “2009” and inserting “2015”.

19 **SEC. 605. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
20 **SCIENCE AND TECHNOLOGY ADVANCED FOR-**  
21 **EIGN LANGUAGE EDUCATION GRANT PRO-**  
22 **GRAM.**

23 Section 637(f) (20 U.S.C. 1132–6(f)) is amended by  
24 striking “2009” and inserting “2015”.

1 **TITLE VII—GRADUATE AND**  
2 **POSTSECONDARY IMPROVE-**  
3 **MENT PROGRAMS**

4 **SEC. 701. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
5 **JACOB K. JAVITS FELLOWSHIP PROGRAM.**

6 Section 705 (20 U.S.C. 1134d) is amended by strik-  
7 ing “\$30,000,000 for fiscal year 2009” and inserting  
8 “such sums as may be necessary for fiscal year 2015”.

9 **SEC. 702. AUTHORIZATION OF APPROPRIATIONS FOR**  
10 **GRADUATE ASSISTANCE IN AREAS OF NA-**  
11 **TIONAL NEED.**

12 Section 716 (20 U.S.C. 1135e) is amended by strik-  
13 ing “\$35,000,000 for fiscal year 2009” and inserting  
14 “such sums as may be necessary for fiscal year 2015”.

15 **SEC. 703. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
16 **THURGOOD MARSHALL LEGAL EDUCATIONAL**  
17 **OPPORTUNITY PROGRAM.**

18 Section 721(h) (20 U.S.C. 1136(h)) is amended by  
19 striking “\$5,000,000 for fiscal year 2009” and inserting  
20 “such sums as may be necessary for fiscal year 2015”.

21 **SEC. 704. AUTHORIZATION OF APPROPRIATIONS FOR MAS-**  
22 **TERS DEGREE PROGRAMS AT HISTORICALLY**  
23 **BLACK COLLEGES AND UNIVERSITIES AND**  
24 **PREDOMINANTLY BLACK INSTITUTIONS.**

25 Section 725 (20 U.S.C. 1136c) is amended—

1 (1) in subsection (a), by striking “2009” and  
 2 inserting “2015”; and

3 (2) in subsection (b), by striking “2009” and  
 4 inserting “2015”.

5 **SEC. 705. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
 6 **FUND FOR IMPROVEMENT OF POSTSEC-**  
 7 **ONDARY EDUCATION.**

8 Section 745 (20 U.S.C. 1138d) is amended by strik-  
 9 ing “2009” and inserting “2015”.

10 **SEC. 706. CORRECTLY RECOGNIZING EDUCATIONAL**  
 11 **ACHIEVEMENTS TO EMPOWER GRADUATES.**

12 Title VII (20 U.S.C. 1133 et seq.) is amended by in-  
 13 serting after part B the following:

14 **“PART C—CORRECTLY RECOGNIZING EDU-**  
 15 **CATIONAL ACHIEVEMENTS TO EMPOWER**  
 16 **GRADUATES**

17 **“SEC. 751. PURPOSE.**

18 “The purpose of this part is to award grants to  
 19 States to support efforts at institutions of higher edu-  
 20 cation, or within systems of higher education, to increase  
 21 postsecondary degree attainment by—

22 “(1) locating, and conferring degrees to, stu-  
 23 dents who have accumulated sufficient applicable  
 24 postsecondary credits and maintained satisfactory

1 academic progress to earn an associate's degree but  
2 did not receive one;

3 “(2) providing outreach to those students who  
4 are within 12 credits of earning an associate's de-  
5 gree; and

6 “(3) establishing partnerships between 2-year  
7 and 4-year institutions of higher education in States,  
8 in order to strengthen the transition pathways into  
9 4-year institutions of higher education for transfer  
10 students.

11 **“SEC. 752. GRANTS TO INCREASE DEGREE ATTAINMENT.**

12 “(a) DEFINITION OF INSTITUTION OF HIGHER EDU-  
13 CATION.—In this section, the term ‘institution of higher  
14 education’ has the meaning given the term in section  
15 101(a).

16 “(b) PROGRAM AUTHORIZED.—

17 “(1) IN GENERAL.—From amounts appro-  
18 priated under subsection (j), the Secretary shall  
19 award grants, on a competitive basis, to States to  
20 enable the States to carry out the activities de-  
21 scribed in subsections (e) and (f) in order to support  
22 efforts at institutions of higher education, or within  
23 systems of higher education, to increase degree at-  
24 tainment.

1           “(2) PARTNERSHIPS ALLOWED.—A State may  
2       apply for a grant under this section in partnership  
3       with a nonprofit organization. In any such partner-  
4       ship, the State higher education agency or other  
5       State agency described in subsection (c)(1) shall  
6       serve as the fiscal agent for purposes of the grant.

7           “(3) DURATION.—Grants awarded under this  
8       section shall be for a period of 3 years.

9       “(c) SUBMISSION AND CONTENTS OF APPLICA-  
10     TION.—

11           “(1) IN GENERAL.—The State, acting through  
12       the State higher education agency or other State  
13       agency determined appropriate by the Governor or  
14       chief executive officer of the State, shall submit an  
15       application to the Secretary at such time, in such  
16       manner, and containing such information as the Sec-  
17       retary may require.

18           “(2) CONTENTS.—An application submitted  
19       under paragraph (1) shall include the following:

20           “(A) A description of the State’s capacity  
21       to administer the grant under this section and  
22       report annually to the Secretary on the  
23       progress of the activities and services described  
24       in subsection (e).

1           “(B) A description of how the State will  
2           meet the purpose of the grant program under  
3           this part through outreach and memoranda of  
4           understanding with institutions of higher edu-  
5           cation, including the State’s plan for using  
6           grant funds to meet the requirements of sub-  
7           sections (e) and (g) and, if the State elects to  
8           use grant funds under such subsection to create  
9           strong articulation agreements, subsection  
10          (f)(2).

11          “(C) A description of how the State will  
12          coordinate with appropriate stakeholders, in-  
13          cluding institutions of higher education, data-  
14          sharing agencies within the State, and other  
15          States.

16          “(D) A description of—

17               “(i) the structure that the State has  
18               in place to administer the activities and  
19               services described in subsection (e), includ-  
20               ing—

21                       “(I) the capacity of the State’s  
22                       longitudinal data system to—

23                               “(aa) be clean of record du-  
24                               plication and ensure alignment of

1 State and institutional credit  
2 completion records;

3 “(bb) include transfer flags  
4 and course and credit data to  
5 allow the State to run initial de-  
6 gree audits for institutions;

7 “(cc) include all postsec-  
8 ondary educational institutions in  
9 the State, including public, pri-  
10 vate nonprofit, and private for-  
11 profit institutions; and

12 “(dd) have in place mecha-  
13 nisms to share data across insti-  
14 tutions, systems, and States;

15 “(II) the capacity of the agency  
16 governing the State’s longitudinal sys-  
17 tem to respond to data requests accu-  
18 rately and in a timely manner; and

19 “(III) the State’s plan to protect  
20 student privacy with respect to data  
21 in the State longitudinal data system  
22 and comply with section 444 of the  
23 General Education Provisions Act  
24 (commonly referred to as the ‘Family

1 Educational Rights and Privacy Act  
2 of 1974’); or

3 “(ii) the State’s plan to develop the  
4 structure described in clause (i) as part of  
5 the activities carried out under the grant.

6 “(d) AWARD BASIS AND PRIORITY.—The Secretary  
7 shall award grants under this section to States based on  
8 the quality of the applications submitted under subsection  
9 (c). In awarding grants under this section, the Secretary  
10 shall give priority to applications from States—

11 “(1) that do not have, as of the time of the ap-  
12 plication, statewide policies or statewide initiatives in  
13 place to retroactively award associate’s degrees to  
14 students; or

15 “(2) that have a commitment to initiatives re-  
16 garding the retroactive awarding of associate’s de-  
17 grees that will continue after the period of the grant.

18 “(e) MANDATORY USE OF FUNDS.—

19 “(1) SUBGRANTS.—A State that receives a  
20 grant under this section shall use not less than 80  
21 percent of the grant funds provided to award sub-  
22 grants, on a competitive basis, to institutions of  
23 higher education or systems of higher education.  
24 Each institution or system receiving a subgrant shall

1 carry out all of the following activities and services,  
2 pursuant to the conditions under subsection (g):

3 “(A) Identify the group of current and  
4 former students at the institution of higher  
5 education or system of higher education that,  
6 based on the data held by the institution, meet  
7 both of the following requirements:

8 “(i) Each individual has earned not  
9 less than 60 postsecondary credit hours (or  
10 the minimum required by the State to earn  
11 an associate’s degree) at the institution of  
12 higher education or at an institution within  
13 the system of higher education.

14 “(ii) Each individual has not had any  
15 postsecondary degree, of any kind, issued  
16 to the student by the institution of higher  
17 education.

18 “(B) Identify a subset of the current and  
19 former students described in subparagraph (A)  
20 who have not already earned an associate’s or  
21 baccalaureate degree elsewhere.

22 “(C) Perform a degree audit on each stu-  
23 dent in the subset described in subparagraph  
24 (B), and identify each such student as one of  
25 the following:

1 “(i) Eligible to obtain an associate’s  
2 degree.

3 “(ii) Eligible to obtain an associate’s  
4 degree upon the completion of 12 or fewer  
5 postsecondary credit hours (or the equiva-  
6 lent).

7 “(iii) Not eligible under either clause  
8 (i) or (ii).

9 “(D) Provide outreach to each student  
10 identified in subparagraph (C)(i), and award  
11 the earned associate’s degree to such student,  
12 unless such student declines through a written  
13 or oral declaration.

14 “(E) Provide outreach to each student  
15 identified in subparagraph (C)(ii) that includes  
16 information regarding next steps toward degree  
17 attainment, including financial aid options.

18 “(2) APPLICATION PROCESS.—An institution of  
19 higher education or a system of higher education de-  
20 siring a subgrant under this subsection shall submit  
21 an application to the State at such time, in such  
22 manner, and containing such information as the  
23 State may require. Such application shall include a  
24 written commitment from the institution or system  
25 of higher education that, upon receipt of a grant,

1 the institution or system of higher education will  
2 carry out all of the activities described in paragraph  
3 (1).

4 “(3) PRIORITY.—Each State awarding sub-  
5 grants under this part shall give priority to applica-  
6 tions from institutions of higher education or sys-  
7 tems of higher education that—

8 “(A) use an opt-out, rather than an opt-in,  
9 policy to award associate’s degrees, if such pol-  
10 icy is permissible under applicable accreditation  
11 or State standards;

12 “(B) waive nonacademic barriers to grad-  
13 uation, such as swimming tests, library fines,  
14 graduation fees, or parking tickets;

15 “(C) waive or amend residency and recency  
16 requirements to prevent earned credits from ex-  
17 piring, if such action is permissible under ac-  
18 creditation or State standards; and

19 “(D) commit to, following the conclusion of  
20 the activities described in paragraph (1) and  
21 continuing after the end of the grant period—

22 “(i) conducting degree audits for each  
23 enrolled student once the student earns 45  
24 credits; and

1                   “(ii) provide information about grad-  
2                   uation deadlines to remind students of rel-  
3                   evant requirements at least 4 months be-  
4                   fore the students graduate and again 1  
5                   month before graduation.

6           “(f) PERMISSIVE USE OF FUNDS.—A State receiving  
7 a grant under this section may use—

8                   “(1) not more than 15 percent of the total  
9                   amount received under this section for administra-  
10                  tive purposes relating to the grant under this sec-  
11                  tion, including technology needed to carry out the  
12                  purposes of this part; and

13                  “(2) not more than 5 percent of the total  
14                  amount received under this section to create strong  
15                  articulation agreements between 2-year and 4-year  
16                  institutions of higher education, in order to enhance  
17                  collaboration and strengthen the transition pathways  
18                  between such institutions for transfer students.

19           “(g) SPECIAL CONDITIONS AND PROHIBITIONS.—

20                  “(1) AVAILABILITY TO STUDENTS.—A State,  
21                  institution of higher education, or system of higher  
22                  education receiving a grant or subgrant, as the case  
23                  may be, under this section shall not charge any stu-  
24                  dent an additional fee or charge to participate in the  
25                  activities or services supported under this section.

1           “(2) PROHIBITED USES.—A State, institution  
2           of higher education, or system of higher education  
3           receiving a grant or subgrant, as the case may be,  
4           under this section shall not use any grant or  
5           subgrant funds for tuition, fees, room and board, or  
6           any other purpose outside the goals of the grant.

7           “(3) FERPA REQUIREMENTS.—Each State, in-  
8           stitution of higher education, or system of higher  
9           education receiving a grant or subgrant, as the case  
10          may be, under this section that enters into a con-  
11          tract or other agreement with any outside entity to  
12          assist in carrying out the activities or services under  
13          such grant or subgrant, shall ensure that the outside  
14          entity complies with all requirements of section 444  
15          of the General Education Provisions Act (commonly  
16          referred to as the ‘Family Educational Rights and  
17          Privacy Act of 1974’) that would apply to the State,  
18          institution, or system.

19          “(4) COORDINATION.—A State receiving a  
20          grant under this section shall ensure the coordina-  
21          tion of the activities and services carried out under  
22          this section with any other activities carried out in  
23          the State that are similar to the goals of this pro-  
24          gram, and with any other entities that support the

1 existing activities in the State, with the goal of mini-  
2 mizing duplication.

3 “(h) REPORT.—

4 “(1) IN GENERAL.—A State receiving a grant  
5 under this section shall prepare and submit an an-  
6 nual report to the Secretary on the activities and  
7 services carried out under this section, and on the  
8 implementation of such activities and services. The  
9 report shall include, for each institution of higher  
10 education or system of higher education receiving a  
11 subgrant, the following information:

12 “(A) The number of students who were  
13 first identified in the group described in sub-  
14 section (e)(1)(A).

15 “(B) The number of students who were re-  
16 moved from such group because the students  
17 had received a degree elsewhere, in accordance  
18 with subsection (e)(1)(B).

19 “(C) The number of degree audits per-  
20 formed under subsection (e)(1)(C).

21 “(D) The number of students identified  
22 under subsection (e)(1)(C)(i) as eligible to ob-  
23 tain an associate’s degree.

24 “(E) The number of students identified  
25 under subsection (e)(1)(C)(ii) as eligible to ob-

1           tain an associate's degree upon the completion  
2           of 12 or fewer postsecondary credit hours (or  
3           the equivalent).

4           “(F) The number of students identified  
5           under subsection (e)(1)(C)(iii) as ineligible to  
6           obtain an associate's degree and ineligible to  
7           obtain such a degree upon the completion of 12  
8           or fewer postsecondary credit hours (or the  
9           equivalent).

10          “(G) The number of students awarded an  
11          associate's degree under subsection (e)(1)(D).

12          “(H) The number of students identified in  
13          subsection (e)(1)(C)(ii) who are returning to an  
14          institution of higher education after receiving  
15          outreach described in subsection (e)(1)(E).

16          “(I) The average amount of credit hours  
17          previously earned by students described in sub-  
18          section (e)(1)(C)(i) when the associate's degrees  
19          are awarded.

20          “(J) The number of students who received  
21          outreach described in subsection (e)(1)(D) and  
22          who decline to receive the associate's degree.

23          “(K) The number of students who could  
24          not be located or reached as part of the process.

1           “(L) The reasons why students identified  
2           in subsection (e)(1)(C)(ii) did not return to an  
3           institution of higher education to receive a de-  
4           gree.

5           “(M) Details of any policy changes imple-  
6           mented as a result of implementing the activi-  
7           ties and services and conducting the required  
8           degree audits.

9           “(2) DISAGGREGATION.—The report shall in-  
10          clude the information described in subparagraphs  
11          (A) through (L) of paragraph (1) in the aggregate  
12          and disaggregated by age, gender, race or ethnicity,  
13          status as an individual with a disability, and socio-  
14          economic status (including status as a Federal Pell  
15          Grant recipient).

16          “(i) ENFORCEMENT PROVISIONS.—

17                 “(1) RECOVERY OR WITHHOLDING.—The Sec-  
18                 retary may, after notice and an opportunity for a  
19                 hearing in accordance with chapter 5 of title 5,  
20                 United States Code—

21                         “(A) withhold funds provided under a  
22                         grant or subgrant under this section if a State  
23                         system of higher education or an institution of  
24                         higher education is failing to comply substan-  
25                         tially with the requirements of this section; or

1           “(B) take actions to recover funds pro-  
 2           vided under a grant or subgrant under this sec-  
 3           tion, if the State system of higher education or  
 4           an institution of higher education made an un-  
 5           allowable expense, or otherwise failed to dis-  
 6           charge its responsibility to properly account for  
 7           funds.

8           “(2) USE OF RECOVERED OR UNUSED  
 9           FUNDS.—Any funds recovered or withheld under  
 10          paragraph (1) shall—

11           “(A) be credited to the appropriations ac-  
 12           count from which amounts are available to  
 13           make grants or enter cooperative agreements  
 14           under this section; and

15           “(B) remain available until expended for  
 16           any purpose of that account authorized by law  
 17           that relates to the program under this section.

18          “(j) AUTHORIZATION OF APPROPRIATIONS.—There  
 19          are authorized to be appropriated to carry out this section  
 20          such sums as may be necessary for fiscal year 2015 and  
 21          each of the 2 succeeding fiscal years.”.

1 **SEC. 707. AUTHORIZATION OF APPROPRIATIONS FOR DEM-**  
2 **ONSTRATION PROJECTS TO SUPPORT POST-**  
3 **SECONDARY FACULTY, STAFF, AND ADMINIS-**  
4 **TRATORS IN EDUCATING STUDENTS WITH**  
5 **DISABILITIES.**

6 Section 765 (20 U.S.C. 1140e) is amended by strik-  
7 ing “2009” and inserting “2015”.

8 **SEC. 708. AUTHORIZATION OF APPROPRIATIONS FOR TRAN-**  
9 **SITION PROGRAMS FOR STUDENTS WITH IN-**  
10 **TELLECTUAL DISABILITIES.**

11 Section 769 (20 U.S.C. 1140i) is amended by striking  
12 “2009” and inserting “2015”.

13 **SEC. 709. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
14 **COMMISSION ON ACCESSIBLE MATERIALS**  
15 **AND PROGRAMS TO SUPPORT IMPROVED AC-**  
16 **CESS TO MATERIALS.**

17 Section 775 (20 U.S.C. 1140o) is amended by strik-  
18 ing “2009” and inserting “2015”.

19 **SEC. 710. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
20 **NATIONAL TECHNICAL ASSISTANCE CENTER;**  
21 **COORDINATING CENTER.**

22 Section 778 (20 U.S.C. 1140r) is amended by strik-  
23 ing “2009” and inserting “2015”.

1 **SEC. 711. FIRST IN THE WORLD COMPETITIVE GRANT PRO-**  
2 **GRAM.**

3 Title VII (20 U.S.C. 1133 et seq.) is amended by  
4 adding at the end the following:

5 **“PART F—FIRST IN THE WORLD COMPETITIVE**  
6 **GRANT PROGRAM**

7 **“SEC. 783. PURPOSE.**

8 “The purpose of this part is—

9 “(1) to help institutions of higher education im-  
10 plement innovative strategies and practices shown to  
11 be effective in improving educational outcomes and  
12 making postsecondary education more affordable for  
13 students and families;

14 “(2) to raise the percentage of individuals in  
15 the United States who have a degree from an insti-  
16 tution of higher education or another postsecondary  
17 credential by 2020; and

18 “(3) to develop an evidence base of effective  
19 practices for ensuring that more students can ac-  
20 cess, persist in, and complete postsecondary edu-  
21 cation.

22 **“SEC. 784. PROGRAM AUTHORIZED.**

23 “(a) **ELIGIBLE ENTITY DEFINED.**—In this part ‘eli-  
24 gible entity’ means—

25 “(1) a nonprofit institution of higher education;

“(b) PROGRAM AUTHORIZED.—From amounts ap-  
propriated under section 791, the Secretary shall award  
grants, on a competitive basis and in accordance with sub-  
section (d), to eligible entities to enable such eligible enti-  
ties to support the activities described in section 786.

14       “(d) LIMITATION.—An eligible entity shall not be  
15       awarded more than 1 grant for each grant competition.

18       “(a) APPLICATION.—Each eligible entity that desires  
19   to receive a grant under this part shall submit an applica-  
20   tion to the Secretary at such time, in such manner, and  
21   containing such information as the Secretary may reason-  
22   ably require, including, at a minimum—

24 “(A) the project for which the eligible enti-  
25 ty is seeking a grant and how the evidence sup-

1           porting that project meets the standards of evi-  
2           dence established by the Secretary under sub-  
3           section (b);

4           “(B) the student population to be served  
5           and how the proposed project will meet the  
6           needs of those students;

7           “(C) the resources and capacity of the eli-  
8           gible entity to carry out the proposed project;

9           “(D) the replicable and scalable reform  
10          strategies the eligible entity will implement;

11          “(E) the eligible entity’s plan for con-  
12          tinuing the proposed project after the eligible  
13          entity no longer receives funding under this  
14          part;

15          “(F) the eligible entity’s plans for inde-  
16          pendently evaluating the effectiveness of activi-  
17          ties carried out under the grant, including eval-  
18          uating whether the strategies that the eligible  
19          entity implements are showing evidence of effec-  
20          tiveness; and

21          “(G) the eligible entity’s data collection  
22          plan;

23          “(2) an estimate of the number of students that  
24          the eligible entity plans to serve under the proposed

1 project, including the percentage of those students  
2 who are from low-income families;

3 “(3) an assurance that the eligible entity will—

4 “(A) cooperate with evaluations, as re-  
5 quested by the Secretary; and

6 “(B) make data available to third parties  
7 for validation and further study; and

8 “(4) if applicable, a description of the partner-  
9 ship the eligible entity has established with 1 or  
10 more public or private organizations for the purpose  
11 of carrying out activities under the grant.

12 “(b) STANDARDS OF EVIDENCE.—

13 “(1) IN GENERAL.—The Secretary shall estab-  
14 lish standards for the quality of evidence that an ap-  
15 plicant shall provide in accordance with subsection  
16 (a)(1)(A) in order to demonstrate that the project  
17 the applicant proposes to carry out with the funds  
18 under this part is likely to succeed in improving stu-  
19 dent outcomes according to the performance meas-  
20 ures described in section 787. These standards shall  
21 include the following:

22 “(A) Strong evidence that the activities  
23 proposed by the applicant will have a statis-  
24 tically significant effect on student outcomes,  
25 including postsecondary enrollment rates, post-

1 secondary persistence rates, and postsecondary  
2 completion rates.

3 “(B) Moderate evidence that the activities  
4 proposed by the applicant will improve such  
5 student outcomes.

6 “(C) A rationale based on research find-  
7 ings or a reasonable hypothesis that the activi-  
8 ties proposed by the applicant will improve such  
9 student outcomes.

10 “(2) SUPPORT FOR NEW STANDARDS.—Subject  
11 to paragraph (3), the Secretary shall ensure that not  
12 less than one-half of the funds awarded under this  
13 part are awarded for projects that—

14 “(A) meet a standard of evidence described  
15 in subparagraph (B) or (C) of paragraph (1);  
16 and

17 “(B) do not meet the evidence standard  
18 described in subparagraph (A) of such para-  
19 graph.

20 “(3) EXCEPTION.—The Secretary shall not be  
21 required to meet the requirement described in para-  
22 graph (2) unless a sufficient number of otherwise  
23 high quality applications are received.

1       “(c) PRIORITY.—In awarding grants under this part,  
2 the Secretary shall give priority to applicants that plan  
3 to—

4           “(1) implement interventions that result in  
5 measurable increases in the number of low-income  
6 students who—

7           “(A) enroll and persist in postsecondary  
8 education; and

9           “(B) complete a postsecondary degree or  
10 certificate;

11          “(2) implement a systemwide design that would  
12 have positive effects on low-income students;

13          “(3) increase successful transfers of low-income  
14 students into higher level programs, such as from a  
15 certificate program to an associate’s degree program  
16 or from an associate’s degree program to a bach-  
17 elor’s degree program;

18          “(4) increase enrollment and completion rates  
19 for degrees or certificates in the fields of science,  
20 technology, engineering, and mathematics for stu-  
21 dents from groups that are historically underrep-  
22 resented in those fields, including minorities and  
23 women, by implementing new and substantially dif-  
24 ferent strategies;

1           “(5) design and implement new and innovative  
2           approaches to reduce the time it takes for students  
3           to complete a program of study and earn a postsec-  
4           ondary degree or certificate;

5           “(6) design and implement new and innovative  
6           strategies to contain the cost of education for stu-  
7           dents and families pursuing higher education; and

8           “(7) develop cross-system partnerships among  
9           workforce, adult education, career and technical edu-  
10          cation, postsecondary education, human service  
11          agencies, and others.

12   **“SEC. 786. USES OF FUNDS.**

13          “Each eligible entity that receives funds under this  
14   part shall use such funds to carry out 1 or more of the  
15   following activities:

16           “(1) Designing innovative approaches to teach-  
17          ing and learning that are designed to produce better  
18          outcomes for postsecondary students.

19           “(2) Implementing promising practices that ac-  
20          celerate the pace and success rate at which students  
21          who need remedial coursework move into credit-bear-  
22          ing coursework and toward a degree or certificate.

23           “(3) Establishing open postsecondary degree  
24          pathways that—

1           “(A) are offered to students at low cost or  
2           no cost;

3           “(B) are offered in fields that focus on the  
4           education and skills employers are seeking; and

5           “(C) have the potential to deliver high  
6           quality learning experiences and outcomes.

7           “(4) Redesigning courses and programs of  
8           study that improve student learning at lower costs  
9           than traditional courses.

10          “(5) Developing innovative student services ap-  
11          proaches that address financial barriers to college  
12          completion, such as access to comprehensive finan-  
13          cial supports (including tax credits and Federal,  
14          State, and local benefits programs), financial lit-  
15          eracy, workforce development, and legal services.

16          “(6) Any other innovative program or strategy  
17          approved by the Secretary.

18   **“SEC. 787. PERFORMANCE MEASURES.**

19          “(a) ESTABLISHMENT OF PERFORMANCE MEAS-  
20          URES.—The Secretary shall establish performance meas-  
21          ures for the programs and activities carried out under this  
22          part. These measures, at a minimum, shall track the  
23          grantee’s progress in improving postsecondary education  
24          access, affordability, and completion—

25          “(1) for all students served by the grantee; and

1           “(2) for students served by the grantee,  
2           disaggregated on the basis of race and ethnicity,  
3           gender, and status as a recipient of a Federal Pell  
4           Grant.

5           “(b) PERFORMANCE MEASURES INCLUDED.—The  
6           performance measures described in subsection (a) shall in-  
7           clude the following:

8           “(1) Postsecondary enrollment rates.

9           “(2) Persistence from semester to semester and  
10          year to year.

11          “(3) On-time graduation rates.

12          “(4) Any other indicator determined by the Sec-  
13          retary or grantee.

14   **“SEC. 788. REPORTING REQUIREMENT.**

15          “Each eligible entity that receives a grant under this  
16          part shall submit to the Secretary, at such time and in  
17          such manner as the Secretary may require, an annual re-  
18          port that includes—

19               “(1) information about the eligible entity’s  
20               progress as measured by the performance measures  
21               established under section 787;

22               “(2) data relating to such performance meas-  
23               ures;

24               “(3) the evaluation required in accordance with  
25               section 785(a)(1)(F); and

1           “(4) any additional information that the Sec-  
2       retary may require.

3   **“SEC. 789. EVALUATION.**

4       “The Secretary shall—

5           “(1) acting through the Director of the Insti-  
6       tute of Education Sciences, evaluate the implementa-  
7       tion and impact of activities supported under this  
8       part; and

9           “(2) disseminate research on best practices re-  
10      lating to those activities.

11   **“SEC. 790. SUPPLEMENT, NOT SUPPLANT.**

12       “Funds made available under this part shall be used  
13   to supplement, and not supplant, other Federal, State,  
14   and local funds that would otherwise be expended to carry  
15   out activities under this section.

16   **“SEC. 791. AUTHORIZATION OF APPROPRIATIONS.**

17       “There are authorized to be appropriated to carry out  
18   this part such sums as may be necessary for fiscal year  
19   2015 and each of the 4 succeeding fiscal years.”.

20   **SEC. 712. DUAL ENROLLMENT AND EARLY COLLEGE HIGH**  
21           **SCHOOL PROGRAMS.**

22       Title VII (20 U.S.C. 1134 et seq.), as amended by  
23   section 711, is further amended by adding at the end the  
24   following:

1       **“PART G—DUAL ENROLLMENT AND EARLY**  
2               **COLLEGE HIGH SCHOOL PROGRAMS**

3       **“SEC. 793. DUAL ENROLLMENT PROGRAMS AND EARLY**  
4               **COLLEGE HIGH SCHOOL PROGRAMS.**

5       “(a) PURPOSE.—The purpose of this section is to  
6 help expand access to, and improve the quality of, dual  
7 enrollment programs and early college high school pro-  
8 grams.

9       “(b) DEFINITIONS.—In this section:

10           “(1) APPLIED LEARNING.—The term ‘applied  
11 learning’ means a strategy that—

12               “(A) engages students in opportunities to  
13 apply rigorous academic content aligned with  
14 postsecondary-level expectations to real world  
15 experience, through such means as work experi-  
16 ence, work-based learning, problem-based learn-  
17 ing, or service-learning; and

18               “(B) develops students’ cognitive com-  
19 petencies and pertinent employability skills.

20           “(2) DUAL ENROLLMENT PROGRAM.—The term  
21 ‘dual enrollment program’ means a program of study  
22 provided by an institution of higher education  
23 through which a student who has not graduated  
24 from secondary school with a regular high school di-  
25 ploma is able to earn secondary school credit and  
26 transferable postsecondary credit that is accepted as

1 credit towards a postsecondary degree or certificate  
2 at no cost to the participant or the participant's  
3 family. A dual enrollment program shall consist of  
4 not less than 2 postsecondary credit-bearing courses  
5 and support and academic services that help a stu-  
6 dent persist and complete such courses.

7 “(3) EARLY COLLEGE HIGH SCHOOL PRO-  
8 GRAM.—The term ‘early college high school pro-  
9 gram’ means a formal partnership between at least  
10 1 local educational agency and at least 1 institution  
11 of higher education that allows students to simulta-  
12 neously complete, as part of an organized course of  
13 study, requirements towards earning a regular high  
14 school diploma and earning not less than 12 trans-  
15 ferable postsecondary credits that are accepted as  
16 credit towards a postsecondary degree or certificate  
17 at no cost to the participant or the participant's  
18 family.

19 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-  
20 tity’ means a partnership that—

21 “(A) shall include—

22 “(i) a high-need local educational  
23 agency or a high-need high school; and

24 “(ii) an institution of higher education  
25 operating in the same State as the high-

1           need local educational agency or high-need  
2           school; and

3           “(B) may include—

4                 “(i) a consortium of entities described  
5                 in clauses (i) and (ii) of subparagraph (A);  
6                 and

7                 “(ii) a nonprofit or community-based  
8                 organization with demonstrated expertise  
9                 in serving low-income students and tradi-  
10                tionally underrepresented students.

11           “(5) FOSTER CARE YOUTH.—The term ‘foster  
12           care youth’ means—

13                 “(A) youth whose care and placement is  
14                 the responsibility of the State or Tribal agency  
15                 that administers a State plan under part B or  
16                 E of title IV of the Social Security Act (42  
17                 U.S.C. 621 et seq. and 670 et seq.), without re-  
18                 gard to whether foster care maintenance pay-  
19                 ments are made under section 472 of such Act  
20                 (42 U.S.C. 672) on behalf of the child; and

21                 “(B) includes individuals whose care and  
22                 placement was the responsibility of the State or  
23                 Tribal agency that administers a State plan  
24                 under part B or E of title IV of the Social Se-  
25                 curity Act (42 U.S.C. 621 et seq. and 670 et

1           seq.) when they were age 13 or older but who  
 2           are no longer the under the care of the State  
 3           or Tribal agency.

4           “(6) HIGH-NEED LOCAL EDUCATIONAL AGEN-  
 5           CY.—The term ‘high-need local educational agency’  
 6           means a local educational agency—

7                   “(A) that serves not fewer than 10,000  
 8           children from families with incomes below the  
 9           poverty line;

10                   “(B) for which not less than 20 percent of  
 11           the children served by the agency are from fam-  
 12           ilies with incomes below the poverty line; or

13                   “(C) that is in the highest quartile of local  
 14           educational agencies in the State, based on stu-  
 15           dent poverty.

16           “(7) HIGH-NEED HIGH SCHOOL.—The term  
 17           ‘high-need high school’ means a secondary school  
 18           that serves students not less than 50 percent of  
 19           whom are either low-income students or traditionally  
 20           underrepresented students.

21           “(8) HIGH SCHOOL GRADUATION RATE.—The  
 22           term ‘high school graduation rate’ means the term  
 23           ‘four-year adjusted cohort graduation rate’ in section  
 24           200.19(b)(1)(i)(A) of title 34, Code of Federal Reg-  
 25           ulations, as such section was in effect on November

1       28, 2008, and the ‘extended-year adjusted cohort  
2       graduation rate’ as defined in section  
3       200.19(b)(1)(v)(A) of title 34, Code of Federal Reg-  
4       ulations, as such section was in effect on November  
5       28, 2008.

6               “(9) INSTITUTION OF HIGHER EDUCATION.—  
7       The term ‘institution of higher education’ has the  
8       meaning given the term in section 101.

9               “(10) LOW-INCOME STUDENT.—The term ‘low-  
10      income student’ means a student who—

11               “(A) is eligible for a free or reduced priced  
12      lunch under the Richard B. Russell National  
13      School Lunch Act;

14               “(B) is eligible for, or is a member of a  
15      family eligible for, means tested benefits or  
16      public assistance at the Federal, State, or local  
17      level; or

18               “(C) lives in a high-poverty area or attends  
19      a secondary school that serves students in a  
20      high-poverty area.

21               “(11) PERSONALIZED GRADUATION AND COL-  
22      LEGE PLAN.—The term ‘personalized graduation  
23      and college plan’ means a personalized document  
24      that is developed in collaboration with a student, the  
25      student’s family, and school personnel, is updated at

1 least annually, is informed by labor market informa-  
 2 tion, and does the following:

3 “(A) Sets postsecondary education and ca-  
 4 reer goals.

5 “(B) Develops a course-taking schedule to  
 6 meet graduation requirements.

7 “(C) As appropriate, outlines academic  
 8 and non-academic supports that are needed to  
 9 successfully achieve goals and graduate college  
 10 and career ready.

11 “(D) Allows the student and family to  
 12 track progress toward goals and graduation re-  
 13 quirements.

14 “(12) REGULAR HIGH SCHOOL DIPLOMA.—The  
 15 term ‘regular high school diploma’ means the stand-  
 16 ard secondary school diploma that is awarded to stu-  
 17 dents in the State and that is fully aligned with the  
 18 State’s academic content standards or a higher di-  
 19 ploma and does not include an alternative credential,  
 20 certificate of attendance, or any alternative award.

21 “(13) TRADITIONALLY UNDERREPRESENTED  
 22 STUDENT.—The term ‘traditionally underrep-  
 23 resented student’ means a student who—

24 “(A)(i) is a low-income student; and

1           “(ii)(I) is a first generation college stu-  
2           dent, as defined in section 402A(h);

3           “(II) has a dependent;

4           “(III) is employed for not less than 25  
5           hours a week; or

6           “(IV) left secondary school without a reg-  
7           ular high school diploma or its equivalent;

8           “(B) is or has been a homeless child or  
9           youth, as defined in section 725 of the McKin-  
10          ney-Vento Homeless Assistance Act (42 U.S.C.  
11          11434a);

12          “(C) is a foster care youth;

13          “(D) is an individual with a disability, as  
14          defined in section 3 of the Americans with Dis-  
15          abilities Act of 1990 (42 U.S.C. 12102);

16          “(E) is a child with a disability, as defined  
17          in section 602 of the Individuals with Disabil-  
18          ities Education Act; or

19          “(F) has been adjudicated in the juvenile  
20          or criminal justice system.

21          “(c) PROGRAM AUTHORIZED.—

22          “(1) IN GENERAL.—The Secretary shall make  
23          grants, from allotments determined under paragraph  
24          (3), to States to enable the States to award sub-

1 grants to eligible entities to support dual enrollment  
2 programs and early college high school programs.

3 “(2) RESERVATIONS.—

4 “(A) TECHNICAL ASSISTANCE.—The Sec-  
5 retary shall reserve not more than 5 percent of  
6 the total amount appropriated to carry out this  
7 section for each fiscal year to provide technical  
8 assistance to States and eligible entities award-  
9 ed grants and subgrants under this section and  
10 to evaluate the grant program established under  
11 this section.

12 “(B) BIE AND OUTLYING AREAS.—The  
13 Secretary shall reserve 1 percent of the total  
14 amount appropriated to carry out this section  
15 for each fiscal year for the Secretary of the In-  
16 terior for programs under this section in  
17 schools operated or funded by the Bureau of In-  
18 dian Education and for outlying areas (as de-  
19 fined under the Elementary and Secondary  
20 Education Act of 1965).

21 “(C) LIMITATION.—Funds allotted for the  
22 Commonwealth of Puerto Rico shall not exceed  
23 0.5 percent of the total amount available to  
24 States to carry out this section.

1           “(3) DETERMINATION OF ALLOTMENT.—From  
2           the total amount appropriated to carry out this sec-  
3           tion for a fiscal year and not reserved under para-  
4           graph (2) and except as provided in paragraph (4),  
5           the Secretary shall allot to each State the sum of—

6                   “(A) an amount that bears the same rela-  
7                   tionship to 65 percent of such total amount  
8                   minus the reserved amount as the number of  
9                   low-income students in grades 9 through 12 in  
10                  the State, as determined by the Secretary on  
11                  the basis of the most recent satisfactory data,  
12                  bears to the number of such students in all  
13                  States, as so determined; and

14                   “(B) an amount that bears the same rela-  
15                   tionship to 35 percent of such total amount  
16                   minus the reserved amount as the number of  
17                   students in grades 9 through 12 in the State,  
18                   as determined by the Secretary on the basis of  
19                   the most recent satisfactory data, bears to the  
20                   number of such students in all States, as so de-  
21                   termined.

22           “(4) MINIMUM ALLOTMENT.—The allotment for  
23           each State under paragraph (3) for a fiscal year  
24           shall be an amount that is not less than 0.5 percent

1 of the total amount available to States for such fis-  
2 cal year to carry out this section.

3 “(5) SUBGRANT DURATION.—A subgrant  
4 awarded under this section shall be for a 5-year pe-  
5 riod.

6 “(d) APPLICATIONS.—

7 “(1) IN GENERAL.—A State that desires to re-  
8 ceive a grant under this section shall submit an ap-  
9 plication to the Secretary at such time, in such man-  
10 ner, and accompanied by such information as the  
11 Secretary may require.

12 “(2) CONTENTS.—Each application submitted  
13 under paragraph (1) shall include the following:

14 “(A) A description of a comprehensive  
15 statewide plan for improving access to dual en-  
16 rollment programs and early college high school  
17 programs, improving the completion rates and  
18 quality of such programs, and the level of post-  
19 secondary credit earned by participants in such  
20 programs among low-income students and tra-  
21 ditionally underrepresented students.

22 “(B) A coherent strategy for using grant  
23 funds provided under this section with other  
24 Federal, State, and local funds to—

1                   “(i) increase access to dual enrollment  
2                   programs and early college high school  
3                   programs among low-income students and  
4                   traditionally underrepresented students;

5                   “(ii) increase completion rates of dual  
6                   enrollment programs and early college high  
7                   school programs among low-income stu-  
8                   dents and traditionally underrepresented  
9                   students;

10                  “(iii) implement appropriate sec-  
11                  ondary and postsecondary supports for  
12                  low-income students and traditionally  
13                  underrepresented students; and

14                  “(iv) continuously improve the quality  
15                  of such programs.

16                  “(C) Evidence of collaboration among the  
17                  State, the State educational agency, local edu-  
18                  cational agencies in the State, teachers, institu-  
19                  tions of higher education in the State, work-  
20                  force development partners, and other stake-  
21                  holders in developing and implementing the  
22                  plan under subparagraph (A).

23                  “(D) How the State and eligible entities  
24                  receiving subgrants under this section will re-  
25                  cruit low-income students and traditionally

1 underrepresented students to participate in dual  
2 enrollment programs and early college high  
3 school programs funded under the grant.

4 “(E) An assurance that the State and eli-  
5 gible entities receiving subgrants under this sec-  
6 tion will track and report the performance  
7 measures described in subsection (g).

8 “(F) Documentation of the record of the  
9 State, or eligible entity, as applicable, in areas  
10 to be measured by the performance measures  
11 under subsection (g).

12 “(G) An assurance that the State has  
13 taken and will take steps to eliminate statutory,  
14 regulatory, procedural, or other barriers to fa-  
15 cilitate the full implementation of the State’s  
16 plan under subparagraph (A).

17 “(H) A description of how the State and  
18 eligible entities receiving subgrants under this  
19 section will sustain the activities proposed after  
20 the grant period ends.

21 “(I) An assurance that the State will re-  
22 quire each eligible entity, on behalf of a dual  
23 enrollment program or early college high school  
24 program that receives funds under a grant  
25 awarded under this section, to enter into an ar-

1 articulation agreement with other public institu-  
2 tions of higher education that are located in the  
3 State in which an institution of higher edu-  
4 cation that is part of an eligible entity is lo-  
5 cated. Such articulation agreements shall be de-  
6 veloped in consultation with educators at insti-  
7 tutions of higher education and secondary  
8 schools. Such articulation agreement shall guar-  
9 antee—

10 “(i) that students who earn postsec-  
11 ondary credit as part of a dual enrollment  
12 program or early college high school pro-  
13 gram will be able to transfer those credits  
14 to—

15 “(I) any public institution of  
16 higher education in the State, and  
17 that such credits will count toward  
18 meeting specific degree or certificate  
19 requirements; and

20 “(II) any private nonprofit insti-  
21 tution of higher education that choos-  
22 es to participate in an articulation  
23 agreement;

1           “(ii) that common course numbering  
2           is used to identify substantially similar  
3           courses;

4           “(iii) that credits are recognized  
5           throughout the system of higher education  
6           in the State and count as credits earned  
7           for both a regular high school diploma and  
8           credit for a degree or certificate program  
9           at a public institution of higher education  
10          in the State and at any private nonprofit  
11          institution of higher education that chooses  
12          to participate; and

13          “(iv) that if a student earns an associ-  
14          ate’s degree as part of a dual enrollment  
15          program or early college program, that as-  
16          sociate’s degree, awarded by the partici-  
17          pating institution of higher education in  
18          the State, shall be fully acceptable in  
19          transfer and credited as the first 2 years  
20          of a related baccalaureate program at a  
21          public institution of higher education in  
22          such State.

23          “(J) An assurance that the State will re-  
24          quire all public institutions of higher education  
25          in the State to establish credit transfer policies

1 and articulation agreements with each other so  
2 that students can seamlessly transfer among  
3 such institutions of higher education and pri-  
4 vate nonprofit institutions of higher education if  
5 such private nonprofit institutions of higher  
6 education choose to participate.

7 “(K) A formal commitment from the insti-  
8 tutions of higher education participating in the  
9 program that students will not be required to  
10 pay tuition and fees, room and board, or fees  
11 for books and materials for any courses in dual  
12 enrollment programs or early college high  
13 school programs.

14 “(L) A plan to address the unique cir-  
15 cumstances facing rural students and students  
16 with transportation barriers who wish to par-  
17 ticipate in dual enrollment programs and early  
18 college high school programs, including difficul-  
19 ties in providing such students with the oppor-  
20 tunity to participate at campuses of institutions  
21 of higher education.

22 “(M) An assurance that the State will de-  
23 velop a plan to increase enrollment in, persist-  
24 ence through, and completion of postsecondary  
25 education among low-income students and tra-

ditionally underrepresented students throughout the State through the use of dual enrollment programs and early college high school programs.

“(N) An assurance that the State has enacted funding models that ensure that local educational agencies and institutions of higher education that participate in dual enrollment programs and early college high school programs do not lose per-pupil or full-time equivalent funding for participating students.

“(3) APPLICATIONS FOR SUBGRANTS.—An eligible entity that desires to receive a subgrant under this section shall submit to a State an application at such time, in such manner, and accompanied by such information as the State may require, including, at a minimum—

“(A) a coherent strategy for using subgrant funds provided under this section with other Federal, State, and local funds to—

“(i) increase access to dual enrollment programs and early college high school programs among low-income students and traditionally underrepresented students;

1                   “(ii) increase completion rates of dual  
 2                   enrollment programs and early college high  
 3                   school programs among low-income stu-  
 4                   dents and traditionally underrepresented  
 5                   students; and

6                   “(iii) continuously improve the quality  
 7                   of such programs;

8                   “(B) a description of how the eligible enti-  
 9                   ty will conduct an outreach strategy to ensure  
 10                  that secondary school students, their families,  
 11                  young people who have dropped out of school,  
 12                  low-income students, traditionally underrep-  
 13                  resented students, and community members are  
 14                  aware of early college high school programs and  
 15                  dual enrollment programs, which shall include  
 16                  information on—

17                  “(i) deadlines for enrolling in the  
 18                  early college high school program or dual  
 19                  enrollment program for the following  
 20                  school year;

21                  “(ii) the courses that will be available  
 22                  to students;

23                  “(iii) the secondary school and post-  
 24                  secondary credit or credentials that can be  
 25                  earned from available courses;

1           “(iv) as appropriate, the similarities  
2           and differences between early college high  
3           school programs and dual enrollment pro-  
4           grams;

5           “(v) after the first year of implemen-  
6           tation, achievement outcomes (such as  
7           number of course credits earned) of stu-  
8           dents participating in the early college high  
9           school program or dual enrollment pro-  
10          gram; and

11          “(vi) as soon as practicable as deter-  
12          mined by the Secretary, outcomes on the  
13          performance measures described under  
14          subsection (g) of students participating in  
15          the early college high school program or  
16          dual enrollment program;

17          “(C) a description of the ongoing feedback  
18          process between the participating institutions of  
19          higher education and the participating local  
20          educational agencies, including—

21               “(i) the provision of academic out-  
22               come data, including the disaggregation of  
23               such data by student subgroups described  
24               in section 1111(b)(2)(C)(v)(II) of the Ele-  
25               mentary and Secondary Education Act of

1 1965, from the institution to the local edu-  
2 cational agency, on the remediation needs  
3 of incoming students; and

4 “(ii) a description of how that infor-  
5 mation is used by the local educational  
6 agency to strengthen instruction and re-  
7 duce the need for postsecondary remedi-  
8 ation;

9 “(D) an assurance that instructors teach-  
10 ing postsecondary courses in dual enrollment  
11 programs and early college high school pro-  
12 grams meet the same standards for faculty es-  
13 tablished at the participating institutions of  
14 higher education;

15 “(E) a description of the academic and so-  
16 cial support services that will be provided to  
17 participating students, including academic  
18 counseling and guidance on the financial aid  
19 process;

20 “(F) an assurance that the eligible entity  
21 will establish policies that—

22 “(i) maximize, to the extent prac-  
23 ticable and taking into account the geog-  
24 raphy of the region, the number of dual  
25 enrollment program and early college high

1 school program students on the campuses  
2 of institutions of higher education and in  
3 classrooms with postsecondary students,  
4 and dual enrollment program and early  
5 college high school program courses taught  
6 by professors of the institutions of higher  
7 education; and

8 “(ii) in any case where providing  
9 courses of the dual enrollment program or  
10 early college high school program on a  
11 campus of an institution of higher edu-  
12 cation is not practicable, ensure that each  
13 course of the dual enrollment program or  
14 early college high school program that is  
15 taught in secondary schools is—

16 “(I) developed in collaboration  
17 with an institution of higher edu-  
18 cation;

19 “(II) fully comparable with the  
20 courses offered on the campus of the  
21 institution of higher education;

22 “(III) augmented with campus  
23 experiences when reasonably achiev-  
24 able; and

1                   “(IV) taught by a faculty mem-  
2                   ber from the partner institution of  
3                   higher education, where practicable,  
4                   or, if not practicable, by an instructor  
5                   who is selected, supervised, and evalu-  
6                   ated by the institution of higher edu-  
7                   cation; and

8                   “(G) an assurance that the eligible entity  
9                   will provide access to a dual enrollment pro-  
10                  gram or early college high school program to all  
11                  students, including low-income students and  
12                  traditionally underrepresented students in the  
13                  area or school.

14               “(e) USES OF FUNDS.—

15               “(1) REQUIRED STATE USES OF FUNDS.—

16               “(A) IN GENERAL.—The State may re-  
17               serve not more than 5 percent of the total  
18               amount allotted to carry out this section for  
19               each fiscal year to carry out the requirements  
20               of clauses (ii) through (vi) of subparagraph (B).  
21               The remaining amount shall be used to award  
22               subgrants to eligible entities in the State.

23               “(B) STATE USES OF FUNDS.—A State  
24               that receives a grant under this section shall  
25               carry out the following:

1           “(i) Award subgrants to eligible enti-  
2           ties to enable the entities to support dual  
3           enrollment programs and early college high  
4           school programs.

5           “(ii) Design and implement a state-  
6           wide strategy for dual enrollment programs  
7           and early college high school programs for  
8           low-income students and traditionally  
9           underrepresented students in higher edu-  
10          cation to ensure such programs are offered  
11          free of charge to students.

12          “(iii) Establish articulation agree-  
13          ments and credit transfer policies.

14          “(iv) Develop common college success  
15          courses for low-income students and tradi-  
16          tionally underrepresented students enrolled  
17          in dual enrollment programs and early col-  
18          lege high school programs.

19          “(v) Collect data for program im-  
20          provement and reporting of performance  
21          measures as described in subsection (g).

22          “(vi) Provide technical assistance to  
23          dual enrollment programs and early college  
24          high school programs, which may include  
25          providing such assistance through a non-

1           profit organization with expertise in such  
2           programs.

3           “(2) REQUIRED LOCAL USES OF FUNDS.—An  
4           eligible entity that receives a subgrant under this  
5           section shall carry out the following:

6           “(A) Support dual enrollment programs  
7           and early college high school programs in the  
8           schools served by the high-need local edu-  
9           cational agency.

10          “(B) Develop a personalized graduation  
11          and college plan for each student participating  
12          in a dual enrollment program or early college  
13          high school program funded by the subgrant.

14          “(C) Enter into the articulation agreement  
15          described in subsection (d)(2)(I).

16          “(D) Carry out outreach programs to ele-  
17          mentary school students, secondary school stu-  
18          dents, low-income students, traditionally under-  
19          represented students, youth who have dropped  
20          out of school, and their parents and families to  
21          ensure awareness of dual enrollment programs  
22          and early college high school programs and the  
23          ability to earn college credit while in secondary  
24          school and to reengage dropouts in school. Such  
25          programs may be carried out in partnership

1 with a nonprofit or community-based organiza-  
2 tion.

3 “(E) Provide academic and social support  
4 services to students, including counseling activi-  
5 ties, tutoring, and postsecondary education  
6 readiness activities such as assistance with the  
7 Federal financial aid application process.

8 “(F) Collect data for program improve-  
9 ment and reporting of performance measures as  
10 described in subsection (g).

11 “(G) Implement applied learning opportu-  
12 nities.

13 “(H) Develop coordinated activities be-  
14 tween institutions of higher education and local  
15 educational agencies, including academic cal-  
16 endars, provision of student services, and cur-  
17 riculum development.

18 “(I) Pay for tuition and fees, transpor-  
19 tation, and fees for books and materials.

20 “(J) Provide students with information  
21 about how the credits they earn through partici-  
22 pating in dual enrollment programs and early  
23 college high school programs will be transferred  
24 to an institution of higher education.

1           “(3) PERMISSIVE USES OF FUNDS.—A State  
2           that receives a grant under this section or an eligible  
3           entity that receives a subgrant under this section  
4           may provide—

5                   “(A) professional development, including  
6                   joint professional development, for secondary  
7                   and postsecondary instructors of courses in a  
8                   dual enrollment program or early college high  
9                   school program; or

10                   “(B) extended learning time opportunities  
11                   for students participating in dual enrollment  
12                   programs and early college high school pro-  
13                   grams.

14           “(4) PRIORITIES.—In awarding subgrants  
15           under this subsection, a State—

16                   “(A) shall—

17                           “(i) give priority to eligible entities  
18                           that include a high-need local educational  
19                           agency that serves students not less than  
20                           60 percent of whom are low-income stu-  
21                           dents or traditionally underrepresented  
22                           students; or

23                           “(ii) give priority to eligible entities  
24                           that include a high-need high school that  
25                           demonstrates sufficient support and aca-

1           demic services in place to help partici-  
 2           pating students persist and complete a  
 3           dual enrollment program or early college  
 4           high school program; and

5           “(B) may give a priority to eligible entities  
 6           that—

7                   “(i) develop innovative strategies for  
 8                   expanding access to dual enrollment pro-  
 9                   grams and early college high school pro-  
 10                  grams for low-income students and tradi-  
 11                  tionally underrepresented students, and in-  
 12                  creasing the number of those students that  
 13                  complete such programs; and

14                   “(ii) demonstrate how the entity will  
 15                   sustain funding for dual enrollment pro-  
 16                   grams or early college high school pro-  
 17                   grams after the grant period ends.

18           “(f) MATCHING REQUIREMENTS.—

19                   “(1) STATE MATCHING REQUIREMENT.—A  
 20                   State receiving a grant under this section shall pro-  
 21                   vide, from non-Federal sources, in cash or in-kind,  
 22                   an amount equal to 50 percent of the grant funds  
 23                   awarded under this section.

24                   “(2) ELIGIBLE ENTITY MATCHING REQUIRE-  
 25                   MENT.—A State receiving a grant under this section

1 shall require each eligible entity that receives a  
2 subgrant under this section to provide, from non-  
3 Federal sources, in cash or in-kind, an amount equal  
4 to not less than 25 percent of the amount of  
5 subgrant funds awarded to that eligible entity.

6 “(g) PERFORMANCE MEASURES.—

7 “(1) IN GENERAL.—The Secretary shall, prior  
8 to awarding grants under this section, establish per-  
9 formance measures for the programs and activities  
10 carried out under grants and subgrants awarded  
11 under this section. The Secretary shall ensure that  
12 the performance measures are made available to po-  
13 tential applicants prior to seeking applications for  
14 grants under this section.

15 “(2) MONITORING PROGRESS.—The perform-  
16 ance measures established under paragraph (1), at  
17 a minimum, shall collect data on the progress of  
18 grantees and subgrantees in improving the outcomes  
19 described in paragraph (3) for all students partici-  
20 pating in dual enrollment programs or early college  
21 high school programs funded with a grant or  
22 subgrant under this section. This data shall be  
23 disaggregated according to the categories described  
24 in section 1111(b)(2)(C)(v)(II) of the Elementary  
25 and Secondary Education Act of 1965.

1           “(3) OUTCOMES.—The performance measures  
2           shall measure the progress of grantees and sub-  
3           grantees in achieving the following outcomes:

4                   “(A) Increasing high school graduation  
5           rates.

6                   “(B) Increasing dropout recovery (re-  
7           entry) rates.

8                   “(C) Decreasing the percentage of students  
9           with less than a 90 percent attendance rate.

10                  “(D) Increasing the percentage of students  
11           who have on-time credit accumulation at the  
12           end of each grade.

13                  “(E) Increasing annual, average attend-  
14           ance rates.

15                  “(F) Reducing the need for remediation in  
16           postsecondary education.

17                  “(G) Increasing enrollment rates at insti-  
18           tutions of higher education.

19                  “(H) Increasing postsecondary education  
20           persistence and completion rates.

21                  “(I) Increasing the rate at which students  
22           complete postsecondary education.

23                  “(J) Measured increases in enrollment in  
24           dual enrollment programs and early college high  
25           school programs.

1           “(K) Increasing the percentage of students  
 2           who successfully complete and earn a minimum  
 3           of 12 credits for rigorous postsecondary edu-  
 4           cation courses while attending a secondary  
 5           school.

6           “(L) Increasing the percentage of students  
 7           who earn postsecondary credit and successfully  
 8           have such credit accepted by an institution of  
 9           higher education toward a degree or certificate.

10          “(h) REPORTING.—

11           “(1) STATE REPORTS.—Each State that re-  
 12           ceives a grant under this section shall submit to the  
 13           Secretary, at such time and in such manner as the  
 14           Secretary may require, an annual report that in-  
 15           cludes—

16           “(A) information about the State’s  
 17           progress on the performance measures estab-  
 18           lished under subsection (g) and the data sup-  
 19           porting that progress; and

20           “(B) information submitted to the State  
 21           from the eligible entities, as described in para-  
 22           graph (2).

23           “(2) ELIGIBLE ENTITY REPORTS.—Each eligi-  
 24           ble entity that receives a subgrant under this section  
 25           shall submit to the State, at such time and in such

1 manner as the State may require, an annual report  
2 that includes information about the entity's progress  
3 on the performance measures established under sub-  
4 section (g) and the data supporting that progress, at  
5 such time and in such manner as the State may re-  
6 quire.

7 “(i) EVALUATION.—The Secretary shall—

8 “(1) acting through the Director of the Insti-  
9 tute of Education Sciences, evaluate the implementa-  
10 tion and impact of activities supported under this  
11 section; and

12 “(2) disseminate research on best practices.

13 “(j) SUPPLEMENT, NOT SUPPLANT.—A State or eli-  
14 gible entity shall use Federal funds received under this  
15 section only to supplement the funds that would, in the  
16 absence of such Federal funds, be made available from  
17 non-Federal sources for activities described in this section,  
18 and not to supplant such funds.

19 “(k) AUTHORIZATION.—There are authorized to be  
20 appropriated to carry out this section such sums as may  
21 be necessary for each of fiscal years 2015 through 2019.”.

1 **SEC. 713. MINORITY-SERVING INSTITUTIONS INNOVATION**  
 2 **FUND.**

3 Title VII (20 U.S.C. 1134 et seq.), as amended by  
 4 sections 711 and 712, is further amended by adding at  
 5 the end the following:

6 **“PART H—MINORITY-SERVING INSTITUTIONS**  
 7 **INNOVATION FUND**

8 **“SEC. 795. PURPOSE.**

9 “It is the purpose of this part to assist minority-serv-  
 10 ing institutions in planning, developing, implementing,  
 11 validating, and replicating innovations that provide solu-  
 12 tions to persistent challenges in enabling economically and  
 13 educationally disadvantaged students to enroll in, persist  
 14 through, and graduate from minority-serving institutions,  
 15 including initiatives designed to—

16 “(1) improve student achievement at minority-  
 17 serving institutions;

18 “(2) increase successful recruitment at minor-  
 19 ity-serving institutions of—

20 “(A) students from low-income families of  
 21 all races;

22 “(B) adults; and

23 “(C) military-affiliated students;

24 “(3) increase the rate at which students en-  
 25 rolled in minority-serving institutions make adequate

1 or accelerated progress towards graduation and suc-  
 2 cessfully graduate from such institutions;

3 “(4) increase the number of students pursuing  
 4 and completing degrees in science, technology, engi-  
 5 neering, and mathematics at minority-serving insti-  
 6 tutions and pursuing graduate work in such fields;

7 “(5) enhance the quality of teacher preparation  
 8 programs offered by minority-serving institutions;

9 “(6) redesign course offerings and institutional  
 10 student aid programs to help students obtain mean-  
 11 ingful employment; and

12 “(7) expand the effective use of technology at  
 13 minority-serving institutions.

14 **“SEC. 795A. DEFINITIONS.**

15 “In this part the term ‘eligible entity’ means—

16 “(1) an institution that is eligible for the re-  
 17 ceipt of funds under the programs authorized under  
 18 title III or V of this Act; or

19 “(2) a consortium that includes an institution  
 20 described in paragraph (1) and—

21 “(A) one or more other institutions of  
 22 higher education;

23 “(B) one or more nonprofit organizations;

24 or

1                   “(C) one or more local educational agen-  
2                   cies.

3   **“SEC. 795B. GRANTS AUTHORIZED.**

4           “(a) IN GENERAL.—From funds made available for  
5 this part under section 795F, the Secretary shall award  
6 competitive planning and implementation grants, as de-  
7 scribed in subsections (b) and (c), to eligible entities to  
8 enable such entities to plan for the implementation of, in  
9 the case of a planning grant, and implement, in the case  
10 of an implementation grant, innovations authorized under  
11 this part and to support the implementation, validation,  
12 scaling up, and replication of such innovations.

13           “(b) PLANNING GRANTS.—

14                   “(1) DURATION.—A planning grant authorized  
15 under this subsection shall be for a 1-year period.

16                   “(2) GRANT AMOUNTS.—Each planning grant  
17 authorized under this subsection shall be an amount  
18 that is not more than \$100,000.

19           “(c) IMPLEMENTATION GRANTS.—

20                   “(1) IN GENERAL.—From funds made available  
21 for this part under section 795F, the Secretary shall  
22 award implementation grants to eligible entities to  
23 further develop, pilot, field-test, implement, docu-  
24 ment, validate, and, as applicable, scale up and rep-

1       licate innovations that address the purpose of this  
2       part.

3               “(2) DURATION.—An implementation grant au-  
4       thorized under this subsection shall be for a 5-year  
5       period. Grant funding after the first 3 years shall be  
6       conditional upon the eligible entity achieving satis-  
7       factory progress towards carrying out the edu-  
8       cational innovations, activities, and projects de-  
9       scribed in section 795E, as determined by the Sec-  
10      retary.

11             “(3) GRANT AMOUNT.—Each implementation  
12      grant authorized under this subsection shall be an  
13      amount that is not more than \$10,000,000.

14             “(d) CONSORTIUM ENTITIES.—

15               “(1) FISCAL AGENT.—In the case of an eligible  
16      entity that applies for a grant under this part as a  
17      consortium, each member of the consortium com-  
18      prising the eligible entity shall sign a written agree-  
19      ment designating 1 member of the consortium to  
20      serve as the fiscal agent of the eligible entity and act  
21      on behalf of the eligible entity in performing the fi-  
22      nancial duties of the eligible entity.

23               “(2) SUBGRANTS.—The fiscal agent for an eli-  
24      gible entity (as described in paragraph (1)) may

1       award subgrants to another member of the consor-  
2       tium that comprises that eligible entity.

3       “(e) FEDERAL SHARE.—

4               “(1) PLANNING GRANTS.—The Federal share of  
5       the total cost of carrying out a project funded by a  
6       planning grant authorized under subsection (b) shall  
7       be 100 percent of such total cost.

8               “(2) IMPLEMENTATION GRANTS.—

9                       “(A) IN GENERAL.—The Federal share of  
10       the total cost of carrying out a project funded  
11       by an implementation grant authorized under  
12       subsection (c) shall be not more than 85 per-  
13       cent of such total cost.

14                      “(B) REMAINING COST.—An eligible entity  
15       that receives an implementation grant under  
16       subsection (c) shall provide, from non-Federal  
17       sources, an amount equal to not less than 15  
18       percent of the total cost of carrying out the  
19       project funded by the grant. Such amount may  
20       be provided by in cash or in-kind.

21   **“SEC. 795C. APPLICATIONS.**

22       “(a) IN GENERAL.—An eligible entity desiring a  
23       grant under this part shall submit an application to the  
24       Secretary at such time, in such manner, and containing  
25       such information as the Secretary may reasonably require.

1       “(b) CONSORTIUM ENTITIES.—An application under  
 2 this section for a planning grant or an implementation  
 3 grant by an eligible entity applying for a grant under this  
 4 part as a consortium shall include the written agreement  
 5 described in section 795B(d).

6       “(c) PLANNING GRANTS.—The Secretary shall en-  
 7 sure that the application requirements under this section  
 8 for a planning grant authorized under section 795B(b) in-  
 9 clude, in addition to the requirement under subsection (b),  
 10 only the minimal requirements that are necessary to re-  
 11 view the proposed process of an eligible entity for the plan-  
 12 ning and development of 1 or more educational innova-  
 13 tions that address the purpose of this part as described  
 14 in section 795.

15       “(d) IMPLEMENTATION GRANTS.—An application  
 16 under this section for an implementation grant authorized  
 17 under section 795B(c) shall include, in addition to the re-  
 18 quirement under subsection (b), a description of—

19               “(1) each educational innovation that the eligi-  
 20 ble entity will implement using the funds made avail-  
 21 able by such grant, including a description of the  
 22 evidence supporting the effectiveness of each such  
 23 innovation;

24               “(2) how each educational innovation proposed  
 25 to be implemented under such grant will address the

1 purpose of this part, as described in section 795,  
2 and how each such innovation will further the insti-  
3 tutional or organizational mission of the eligible en-  
4 tity and any institution or organization that is a  
5 member of a consortium comprising the eligible enti-  
6 ty;

7 “(3) the specific activities that the eligible enti-  
8 ty will carry out with funds made available by such  
9 grant, including, for a consortium application a de-  
10 scription of the activities that each member of the  
11 consortium will carry out and a description of the  
12 capacity of each member of the consortium to carry  
13 out such activities;

14 “(4) the performance measures that the eligible  
15 entity will use to track the eligible entity’s progress  
16 in implementing each proposed educational innova-  
17 tion, including a description of how the entity will  
18 implement such performance measures and use in-  
19 formation on performance to make adjustments and  
20 improvements to activities, as needed, over the  
21 course of the grant period;

22 “(5) how the eligible entity will provide the  
23 amount required under section 795B(e)(2)(B);

24 “(6) how the eligible entity will provide for an  
25 independent evaluation of the implementation and

1 impact of the projects funded by such grant that in-  
2 cludes—

3 “(A) an interim report evaluating the  
4 progress made in the first 3 years of the grant;  
5 and

6 “(B) a final report to be completed at the  
7 end of the grant period; and

8 “(7) the plan of the eligible entity for con-  
9 tinuing each proposed educational innovation after  
10 the grant period has ended.

11 **“SEC. 795D. PRIORITY.**

12 “In awarding grants under this part, the Secretary  
13 shall give priority—

14 “(1) first to applications from eligible entities  
15 that include institutions—

16 “(A) that serve a high percentage of stu-  
17 dents that are eligible to receive a Federal Pell  
18 Grant; and

19 “(B) that have endowment funds the mar-  
20 ket value of which, per full-time equivalent stu-  
21 dent, is less than the average current market  
22 value of the endowment funds, per full-time  
23 equivalent student at other applicant institu-  
24 tions;

1           “(2) next, to applications that seek to address  
2 issues of major national need, including—

3           “(A) educational innovations designed to  
4 increase the rate of postsecondary degree at-  
5 tainment for populations within minority groups  
6 that have low relative rates of postsecondary de-  
7 gree attainment, including African-American  
8 males who attain a postsecondary degree;

9           “(B) innovative partnerships between mi-  
10 nority-serving institutions and local educational  
11 agencies that are designed to increase the en-  
12 rollment and successful completion of postsec-  
13 ondary education for populations that have been  
14 historically underrepresented in higher edu-  
15 cation;

16           “(C) educational innovations that bring to-  
17 gether the resources of minority-serving institu-  
18 tions and partner institutions in support of eco-  
19 nomic development, entrepreneurship, and the  
20 commercialization of funded research and the  
21 development of an innovation ecosystem on  
22 postsecondary school campuses;

23           “(D) educational innovations that support  
24 developing programs and initiatives to support  
25 undergraduate and graduate programs in

1 science, technology, engineering, and mathe-  
 2 matics; and

3 “(E) educational innovations described in  
 4 paragraphs (3) and (6) of section 795E(b).

5 **“SEC. 795E. USE OF FUNDS.**

6 “(a) PLANNING GRANTS.—An eligible entity receiv-  
 7 ing a planning grant authorized under section 795B(b)  
 8 shall use funds made available by such grant to conduct  
 9 a comprehensive institutional planning process that in-  
 10 cludes—

11 “(1) an assessment of the needs of the minor-  
 12 ity-serving institution and, in the case of an eligible  
 13 entity applying as a consortium, the needs of each  
 14 member of the consortium;

15 “(2) research on educational innovations, con-  
 16 sistent with the purpose of this part as described in  
 17 section 795, to meet the needs described in para-  
 18 graph (1);

19 “(3) the selection of 1 or more educational in-  
 20 novations to be implemented;

21 “(4) an assessment of the capacity of the mi-  
 22 nority-serving institution and, in the case of an eligi-  
 23 ble entity applying as a consortium, the capacity of  
 24 each member of the consortium, to implement each  
 25 such educational innovation; and

1           “(5) activities to further develop such capacity.

2           “(b) IMPLEMENTATION GRANTS.—An eligible entity  
3 receiving an implementation grant under section 795B(c)  
4 shall use the funds made available by such grant to further  
5 develop, pilot, field-test, implement, document, validate,  
6 and, as applicable, scale up and replicate educational inno-  
7 vations that address the purpose of this part, as described  
8 in section 795, such as educational innovations designed  
9 to—

10           “(1) improve student achievement, such as  
11 through activities designed to increase the number  
12 or percentage of students who successfully complete  
13 developmental or remedial coursework (which may  
14 be accomplished through the evidence-based redesign  
15 of such coursework) and pursue and succeed in post-  
16 secondary studies;

17           “(2) improve and expand institutional recruit-  
18 ment, postsecondary school awareness, and postsec-  
19 ondary school preparation efforts targeting students,  
20 including high-achieving students, from low-income  
21 families, such as through activities undertaken in  
22 partnership with local educational agencies and non-  
23 profit organizations (including the introduction of  
24 dual enrollment programs and the implementation of  
25 activities designed to enable more students to enter

1 postsecondary education without the need for reme-  
2 diation);

3 “(3) increase the number or percentage of stu-  
4 dents, particularly students who are members of his-  
5 torically underrepresented populations, who enroll in  
6 science, technology, engineering, and mathematics  
7 courses, graduate with degrees in such fields, and  
8 pursue advanced studies in such fields;

9 “(4) increase (such as through the provision of  
10 comprehensive academic and nonacademic student  
11 support services) the number or percentage of stu-  
12 dents who make satisfactory or accelerated progress  
13 toward graduation from postsecondary school and  
14 the number or percentage of students who graduate  
15 from postsecondary school on time;

16 “(5) implement evidence-based improvements to  
17 courses, particularly high-enrollment courses, to im-  
18 prove student outcomes and reduce education costs  
19 for students, including costs of remedial courses;

20 “(6) enhance the quality of teacher preparation  
21 programs at minority-serving institutions, to enable  
22 teachers at such institutions to be highly effective in  
23 the classroom and to enable such programs to meet  
24 the demands for accountability in teacher education;

1           “(7) expand the effective use of technology in  
2           higher education, such as through inter-institutional  
3           collaboration on implementing competency-based  
4           technology-enabled delivery models (including hybrid  
5           models) or through the use of open educational re-  
6           sources and digital content; and

7           “(8) provide a continuum of solutions by incor-  
8           porating activities that address multiple objectives  
9           described in paragraphs (1) through (7).

10 **“SEC. 795F. AUTHORIZATION OF APPROPRIATIONS.**

11           “‘There are authorized to be appropriated such sums  
12 as may be necessary for fiscal years 2015 through 2020  
13 to carry out the activities under this part.’”.

14 **SEC. 714. STATE COMPETITIVE GRANT PROGRAM FOR RE-**  
15 **FORMS TO IMPROVE HIGHER EDUCATION**  
16 **PERSISTENCE AND COMPLETION.**

17           Title VII (20 U.S.C. 1133 et seq.), as amended by  
18 sections 711, 712, and 713, is further amended by adding  
19 at the end the following:

1 **“PART I—STATE COMPETITIVE GRANT PROGRAM**  
 2 **FOR REFORMS TO IMPROVE HIGHER EDU-**  
 3 **CATION PERSISTENCE AND COMPLETION**

4 **“SEC. 796. PURPOSE.**

5 “The purpose of this part is to provide incentives for  
 6 States to implement comprehensive reforms and innova-  
 7 tive strategies that are designed to lead to—

8 “(1) significant improvements in postsecondary  
 9 outcomes for traditionally underrepresented stu-  
 10 dents, including improvements in postsecondary en-  
 11 rollment, persistence, and completion by 2020;

12 “(2) reductions in the need for remedial edu-  
 13 cation for postsecondary students;

14 “(3) increased alignment between elementary  
 15 and secondary education, postsecondary education,  
 16 and workforce systems; and

17 “(4) innovation in postsecondary education.

18 **“SEC. 796A. DEFINITIONS.**

19 “In this part:

20 “(1) DUAL ENROLLMENT PROGRAM.—The term  
 21 ‘dual enrollment program’ means a program of study  
 22 provided by an institution of higher education  
 23 through which a student who has not graduated  
 24 from secondary school with a regular high school di-  
 25 ploma is able to earn secondary school credit and  
 26 transferable postsecondary credit that is accepted as

1 credit toward a postsecondary degree or credential  
 2 at no cost to the participant or the participant's  
 3 family. A dual enrollment program shall consist of  
 4 not less than 2 postsecondary credit-bearing courses  
 5 and support and academic services that help a stu-  
 6 dent persist and complete such courses.

7 “(2) EARLY COLLEGE HIGH SCHOOL PRO-  
 8 GRAM.—The term ‘early college high school pro-  
 9 gram’ means a formal partnership between at least  
 10 1 local educational agency and at least 1 institution  
 11 of higher education that allows students to simulta-  
 12 neously complete, as part of an organized course of  
 13 study, requirements toward earning a regular high  
 14 school diploma and earning not less than 12 trans-  
 15 ferable postsecondary credits that are accepted as  
 16 credit toward a postsecondary degree or credential  
 17 at no cost to the participant or the participant's  
 18 family.

19 “(3) LOW INCOME STUDENT.—The term ‘low  
 20 income student’ means—

21 “(A) with respect to an elementary school  
 22 or secondary school student, a student who—

23 “(i) is eligible for a free or reduced  
 24 priced lunch under the Richard B. Russell

1 National School Lunch Act (42 U.S.C.  
2 1751 et seq.);

3 “(ii) is eligible for or is a member of  
4 a family eligible for means tested benefits  
5 or public assistance at the Federal, State,  
6 or local level; or

7 “(iii) lives in a high-poverty area or  
8 attends a secondary school that serves stu-  
9 dents in a high-poverty area; or

10 “(B) with respect to a postsecondary stu-  
11 dent, a student who—

12 “(i) is eligible for a Federal Pell  
13 Grant under section 401; or

14 “(ii) is eligible for means-tested bene-  
15 fits or public assistance at the Federal,  
16 State, or local level.

17 “(4) PERSIST.—The term ‘persist’ means to  
18 continue enrollment in postsecondary education.

19 “(5) TRADITIONALLY UNDERREPRESENTED  
20 STUDENT.—The term ‘traditionally underrep-  
21 resented student’ means a student who—

22 “(A) is a low-income student and—

23 “(i) is a first generation college stu-  
24 dent, as defined in section 402A(h);

25 “(ii) has a dependent;

1 “(iii) is employed for not less than 25  
2 hours a week;

3 “(iv) has taken 2 or more develop-  
4 mental education courses; or

5 “(v) left high school without a regular  
6 high school diploma or its equivalent;

7 “(B) is or has been a homeless child or  
8 youth, as defined in section 725 of the McKin-  
9 ney-Vento Homeless Assistance Act (42 U.S.C.  
10 11434a);

11 “(C) is a foster care youth;

12 “(D) is an individual with a disability, as  
13 defined in section 3 of the Americans with Dis-  
14 abilities Act (42 U.S.C. 12102);

15 “(E) is a child with a disability, as defined  
16 in section 602 of the Individuals with Disabil-  
17 ities Education Act; or

18 “(F) has been adjudicated in the juvenile  
19 or criminal justice system.

20 **“SEC. 796B. STATE GRANT PROGRAM AUTHORIZED.**

21 “(a) RESERVATION OF FUNDS.—From amounts  
22 made available to carry out this part for a fiscal year, the  
23 Secretary may reserve not more than 2 percent to carry  
24 out activities in accordance with this part related to tech-  
25 nical assistance, evaluation, outreach, and dissemination.

1 “(b) PROGRAM AUTHORIZED.—

2 “(1) IN GENERAL.—From amounts made avail-  
3 able to carry out this part and not reserved under  
4 subsection (a), the Secretary shall award planning or  
5 implementation grants under this part, in such a  
6 manner as to achieve an equitable distribution of  
7 grant funds throughout the United States, to States  
8 to enable the States to plan or implement com-  
9 prehensive reforms and innovative strategies to im-  
10 prove postsecondary outcomes for all students, espe-  
11 cially low-income and traditionally underrepresented  
12 students.

13 “(2) PLANNING AND IMPLEMENTATION  
14 GRANTS.—As described in paragraph (1), the Sec-  
15 retary shall award grants to States for the purpose  
16 described in section 796 by—

17 “(A) awarding planning grants, on a com-  
18 petitive basis, to States to enable such States to  
19 develop the comprehensive State plan described  
20 in section 796D to increase postsecondary edu-  
21 cation enrollment, persistence, and attainment  
22 by 2020; and

23 “(B) awarding implementation grants, on  
24 a competitive basis, to States to enable such

1 States to implement the comprehensive State  
2 plan described in section 796D.

3 “(3) LIMITATIONS.—

4 “(A) LIMIT ON NUMBER OF GRANTS.—A  
5 State may receive only 1 planning grant, and  
6 only 1 implementation grant, under this section.

7 “(B) LIMIT ON NUMBER OF PLANNING  
8 GRANTS.—The Secretary may elect to limit the  
9 number and amount of planning grants award-  
10 ed under this section during a grant period, if  
11 the Secretary determines it would best promote  
12 the purposes of this part.

13 “(4) DURATION.—

14 “(A) PLANNING GRANT.—Each planning  
15 grant awarded under this part shall be for a pe-  
16 riod of not more than 24 months.

17 “(B) IMPLEMENTATION GRANT.—Each im-  
18 plementation grant awarded under this part  
19 shall be for a period of not more than 5 years.

20 “(C) REQUIREMENTS FOR ADDITIONAL  
21 FUNDING.—Before receiving funding for an im-  
22 plementation grant for the third or any subse-  
23 quent year of the grant, the State receiving the  
24 grant shall demonstrate to the Secretary that  
25 the State is—

1 “(i) making progress in implementing  
 2 the State plan described under section  
 3 796D at a rate that the Secretary deter-  
 4 mines will result in full implementation of  
 5 that plan during the remainder of the  
 6 grant period; and

7 “(ii) making progress, as measured by  
 8 the annual performance measures and tar-  
 9 gets described in section 796D(b)(2), at a  
 10 rate that the Secretary determines will re-  
 11 sult in reaching those targets and achiev-  
 12 ing the objectives of the grant, during the  
 13 remainder of the grant period.

14 **“SEC. 796C. APPLICATION PROCESS.**

15 “(a) PLANNING GRANTS.—Each State that desires to  
 16 receive a planning grant under this part shall submit an  
 17 application to the Secretary at such time, in such manner,  
 18 and containing such information as the Secretary may rea-  
 19 sonably require. At a minimum, each such application  
 20 shall include the following:

21 “(1) Documentation of the State’s record, in-  
 22 cluding demonstrating a need for the grant funds to  
 23 improve the State’s record, as applicable, in the  
 24 areas to be measured by the performance measures  
 25 under section 796D(b)(2).

1           “(2) A coherent strategy for using funds under  
2           this part, and other Federal, State, and local funds,  
3           to design a State plan as described in section 796D.

4           “(3) Evidence that there will be collaboration  
5           among the State, the State educational agency, insti-  
6           tutions of higher education located in the State,  
7           postsecondary students, workforce partners, and  
8           other stakeholders, in developing and implementing  
9           such plan, including evidence of the State’s commit-  
10          ment and capacity to implement such plan.

11          “(4) An assurance of the State’s commitment  
12          to developing the State plan.

13          “(5) An assurance of the State’s commitment  
14          to meeting, before the end of the planning grant pe-  
15          riod, any requirements that the Secretary may es-  
16          tablish.

17          “(b) IMPLEMENTATION GRANTS.—Each State that  
18          desires to receive an implementation grant under this part  
19          shall submit an application to the Secretary at such time,  
20          in such manner, and containing such information as the  
21          Secretary may reasonably require. At a minimum, each  
22          such application shall include the following:

23               “(1) Documentation of the State’s record, in-  
24               cluding demonstrating a need for the grant funds to  
25               improve the State’s record, as applicable, in the

1 areas to be measured by the performance measures  
2 under section 796D(b)(2).

3 “(2) A description of how the implementation  
4 grant funds will be used to implement the com-  
5 prehensive State plan described in section 796D,  
6 which may be an existing (as of the date of applica-  
7 tion) State plan that meets the requirements of such  
8 section.

9 “(3) Evidence of conditions of innovation and  
10 reform that the State has established and the  
11 State’s plan for implementing additional conditions  
12 for innovation and reform, including—

13 “(A) a description of how the State has  
14 identified and eliminated ineffective practices in  
15 the past, and a plan for doing so in the future;

16 “(B) a description of how the State has  
17 identified and promoted effective practices in  
18 the past, and a plan for doing so in the future;  
19 and

20 “(C) steps the State has taken and will  
21 take to eliminate statutory, regulatory, proce-  
22 dural, or other barriers to facilitate the full im-  
23 plementation of the State’s proposed plan under  
24 section 796D.

1           “(4) The State’s annual performance measures  
2           and targets, established in accordance with the re-  
3           quirements of section 796D(b)(2).

4           “(5) A signed assurance from every public insti-  
5           tution of higher education in the State that the in-  
6           stitution will carry out any activities that the State  
7           determines may be necessary to carry out the State  
8           plan under section 796D.

9           “(6) An assurance from the State that the  
10          State will provide equitable resources and technical  
11          assistance to all public institutions of higher edu-  
12          cation in the State to implement the reforms de-  
13          scribed in this section.

14          “(c) CRITERIA FOR EVALUATING APPLICATIONS.—

15                 “(1) IN GENERAL.—The Secretary shall award  
16                 grants under this part on a competitive basis to a  
17                 geographically diverse group of States, based on the  
18                 quality of the applications submitted by the States.

19                 “(2) PUBLICATION OF EXPLANATION.—The  
20                 Secretary shall publish an explanation of how the  
21                 application review process will ensure an equitable,  
22                 transparent, and objective evaluation of applicants.

23          “(d) PRIORITY.—In awarding grants under this part,  
24          the Secretary shall give priority to a State if—

1           “(1) the State has a significant percentage of  
 2           low-income students or traditionally underrep-  
 3           resented students residing within the State;

4           “(2) the State has a strong record of invest-  
 5           ment in postsecondary education; or

6           “(3) the State distributes State postsecondary  
 7           education aid on the basis of need.

8   **“SEC. 796D. COMPREHENSIVE STATE PLAN.**

9           “(a) ESTABLISHMENT OF PLAN.—Each State receiv-  
 10          ing a planning or implementation grant under this part  
 11          shall establish or implement, respectively, a comprehensive  
 12          State plan described in subsection (b) to increase student  
 13          access, persistence, and completion in postsecondary edu-  
 14          cation at—

15               “(1) public institutions of higher education  
 16               throughout the State; and

17               “(2) private nonprofit institutions of higher  
 18               education (as defined in section 101) that agree to  
 19               participate in and implement the State plan.

20           “(b) COMPREHENSIVE STATE PLAN.—The com-  
 21          prehensive State plan described in subsection (a) shall  
 22          contain the following:

23               “(1) A commitment to implement statewide re-  
 24               forms in the following areas:

1           “(A) Removing barriers to innovation in  
2 postsecondary education by—

3           “(i) shortening the length of time to a  
4 postsecondary degree;

5           “(ii) promoting efficiencies on cam-  
6 puses that lead to lower net tuition prices  
7 for students;

8           “(iii) promoting the use of technology  
9 to increase personalized learning, advising,  
10 and support services for students; and

11           “(iv) developing innovative education  
12 delivery models, such as using technology  
13 to enhance online and classroom learning,  
14 in order to increase participation and re-  
15 tention of students, particularly low-income  
16 students and students who are in the first  
17 generation in their family to attend an in-  
18 stitution of higher education.

19           “(B) Improving the transition between ele-  
20 mentary and secondary education and postsec-  
21 ondary education and the workforce by—

22           “(i) reforming the process for identi-  
23 fying students for developmental education,  
24 offering developmental education examina-  
25 tions while students are in secondary

1 school to identify knowledge and skills  
2 gaps, and reducing the need for develop-  
3 mental education by ensuring that develop-  
4 mental education courses are reserved for  
5 students who are substantially underpre-  
6 pared and placing better-prepared students  
7 in traditional courses;

8 “(ii) redesigning and standardizing  
9 developmental education requirements and  
10 assessments among institutions of higher  
11 education;

12 “(iii) reforming the content, timing,  
13 and delivery of developmental education to  
14 help academically underprepared students  
15 complete college through comprehensive  
16 approaches;

17 “(iv) using technology, academic, and  
18 student supports that engage students,  
19 align developmental education to students’  
20 academic and career goals, and accelerate  
21 the students’ progression through remedi-  
22 ation and credit-bearing coursework;

23 “(v) increasing access to dual enroll-  
24 ment and early college high schools for  
25 low-income students; and

1 “(vi) establishing clear and trans-  
2 parent policies regarding how completion  
3 of dual enrollment and early college high  
4 school programs will result in the transfer  
5 of credits—

6 “(I) to public institutions of  
7 higher education in the State; and

8 “(II) to private nonprofit institu-  
9 tions of higher education that choose  
10 to participate in such credit transfer  
11 policies.

12 “(C) Increasing persistence in postsec-  
13 ondary education by carrying out all of the fol-  
14 lowing:

15 “(i) Developing early warning systems  
16 to identify students at risk of dropping out  
17 of postsecondary education.

18 “(ii) Providing highly effective and  
19 comprehensive academic and student sup-  
20 port services at institutions of higher edu-  
21 cation.

22 “(iii) Requiring all public institutions  
23 of higher education in the State to estab-  
24 lish credit transfer policies and articulation  
25 agreements, that have been developed in

1 consultation with educators in institutions  
2 of higher education, with each other so  
3 that students can seamlessly transfer  
4 among all public institutions of higher edu-  
5 cation in the State. Such articulation  
6 agreements shall guarantee—

7 “(I) that students who earn post-  
8 secondary credit at a public institu-  
9 tion of higher education will be able to  
10 transfer those credits to—

11 “(aa) any public institution  
12 of higher education in the State,  
13 and that such credits will count  
14 toward meeting specific degree or  
15 credential requirements; and

16 “(bb) any private nonprofit  
17 institution of higher education  
18 that chooses to participate in an  
19 articulation agreement;

20 “(II) that common course num-  
21 bering is used to identify substantially  
22 similar courses;

23 “(III) that credits are recognized  
24 throughout the system of higher edu-  
25 cation in the State and count as cred-

1 its earned for a degree or credential  
2 program at a public institution of  
3 higher education in the State and at  
4 any private nonprofit institution of  
5 higher education that chooses to par-  
6 ticipate, consistent with clause (I)(bb);  
7 and

8 “(IV) that if a student earns an  
9 associate’s degree, that associate’s de-  
10 gree, awarded by the participating in-  
11 stitution of higher education in the  
12 State, shall be fully acceptable in  
13 transfer and credited as the first 2  
14 years of a related baccalaureate pro-  
15 gram at a public institution of higher  
16 education in such State.

17 “(iv) Including private nonprofit insti-  
18 tutions of higher education that choose to  
19 participate in the credit transfer policies  
20 and articulation agreements described in  
21 clause (iii).

22 “(v) Providing students residing in  
23 the State with free degree audits.

24 “(vi) Providing students with an as-  
25 surance that if a student receives an asso-

1           ciate's degree from a public institution of  
2           higher education in the State, that associ-  
3           ate's degree will translate into upper level  
4           status at a receiving public institution of  
5           higher education.

6           “(D) Increasing transparency of informa-  
7           tion to students and their families by—

8                   “(i) providing financial literacy infor-  
9                   mation to students and families, including  
10                  information regarding the benefits of post-  
11                  secondary education, planning for postsec-  
12                  ondary education, postsecondary education  
13                  opportunities, and career planning;

14                  “(ii) providing information on financ-  
15                  ing options for postsecondary education  
16                  and activities that promote financial lit-  
17                  eracy and debt management among stu-  
18                  dents and families, including assistance in  
19                  completion of the Free Application for  
20                  Federal Student Aid or other common fi-  
21                  nancial reporting form under section  
22                  483(a);

23                  “(iii) reporting workforce outcomes  
24                  for postsecondary graduates;

1 “(iv) developing multi-year tuition and  
2 fee schedules;

3 “(v) improving postsecondary data  
4 systems and linking those systems to exist-  
5 ing State data systems for elementary and  
6 secondary education and the workforce;  
7 and

8 “(vi) developing practices for the con-  
9 tinuous assessment of student learning and  
10 for public reporting of non-personally iden-  
11 tifiable student learning outcomes.

12 “(E) Increasing and improving the use of  
13 funding in higher education by—

14 “(i) awarding State financial aid to  
15 students on the basis of need, rather than  
16 merit;

17 “(ii) developing performance funding  
18 systems that measure and award funding  
19 to institutions of higher education based  
20 upon improvement in postsecondary edu-  
21 cation outcomes for students, including  
22 successful transfer from a 2-year institu-  
23 tion of higher education to a 4-year insti-  
24 tution of higher education and degree at-  
25 tainment; and

1                   “(iii) rewarding institutions that dis-  
2                   tribute their institutional aid based on  
3                   need.

4                   “(2) Annual performance measures and targets  
5                   for the programs and activities carried out under  
6                   this part, which shall include measures and targets  
7                   for goals established by the Secretary under section  
8                   796G as well as measures and targets developed by  
9                   the State and approved by the Secretary. The an-  
10                  nual performance measures and targets shall, at a  
11                  minimum, track the State’s progress in—

12                   “(A) implementing the plan described in  
13                   this section;

14                   “(B) increasing the percentage of low in-  
15                   come and traditionally underrepresented stu-  
16                   dents who enroll in, persist through, and grad-  
17                   uate from higher education, as measured by—

18                   “(i) reducing the need for higher edu-  
19                   cation remediation;

20                   “(ii) increasing higher education en-  
21                   rollment rates;

22                   “(iii) increasing persistence and com-  
23                   pletion rates in higher education;

1 “(iv) increasing the rate at which stu-  
2 dents complete a program at an institution  
3 of higher education;

4 “(v) increasing enrollment in dual en-  
5 rollment programs and early college high  
6 school programs;

7 “(vi) increasing the percentage of stu-  
8 dents who successfully complete and earn a  
9 minimum of 12 credits for rigorous post-  
10 secondary education courses while attend-  
11 ing a secondary school; and

12 “(vii) increasing the percentage of  
13 students who earn postsecondary credit  
14 and successfully have such credit accepted  
15 by an institution of higher education to-  
16 ward a degree or credential; and

17 “(C) making progress on any other per-  
18 formance measure identified by the Secretary.

19 “(3) Goals for increasing postsecondary creden-  
20 tial attainment by 2020 for traditionally underrep-  
21 resented students.

22 “(c) REVIEW AND APPROVAL.—Each State plan de-  
23 veloped under this section shall be reviewed and approved  
24 by the Secretary.

1   **“SEC. 796E. USE OF FUNDS.**

2           “(a) IN GENERAL.—A State receiving an implemen-  
3   tation grant under this part shall use the funds to carry  
4   out any purpose included in the State’s comprehensive  
5   State plan described in section 796D.

6           “(b) PROHIBITIONS.—Federal funds made available  
7   under this part shall not be used—

8                   “(1) to promote any lender’s loans;

9                   “(2) to supplement or supplant Federal, State,  
10   or institutional financial aid; or

11                   “(3) compensate for a decrease in State appro-  
12   priations for higher education.

13           “(c) SUFFICIENT PROGRESS.—If the Secretary deter-  
14   mines, by the end of the third year of the grant, that a  
15   State receiving an implementation grant under this part  
16   is not making substantial progress on meeting the require-  
17   ments of the comprehensive State plan under section  
18   796D and meeting the performance measures and targets  
19   described in section 796D(b)(2), the Secretary—

20                   “(1) shall cancel the grant; and

21                   “(2) may use any funds returned or made avail-  
22   able due to a cancellation under paragraph (1) to—

23                           “(A) increase other grant awards under  
24   this part; or

25                           “(B) award new grants to other eligible en-  
26   tities under this part.

1   **“SEC. 796F. MATCHING AND OTHER FINANCIAL REQUIRE-**  
2                   **MENTS.**

3           “(a) MATCHING REQUIREMENTS.—

4                   “(1) IN GENERAL.—A State receiving a grant  
5           under this part shall provide matching funds toward  
6           the costs of the grant in the amount applicable  
7           under paragraph (2).

8                   “(2) AMOUNT OF MATCHING FUNDS.—The  
9           matching funds required under this paragraph shall  
10          be an amount equal to—

11                   “(A) in the case of a planning grant, 20  
12           percent of the amount of the grant for each  
13           year of the grant; and

14                   “(B) in the case of an implementation  
15           grant—

16                           “(i) 20 percent of such costs for the  
17                   first year of the grant;

18                           “(ii) 30 percent of such costs for the  
19                   second year of the grant;

20                           “(iii) 40 percent of such costs for the  
21                   third year of the grant;

22                           “(iv) 50 percent of such costs for the  
23                   fourth year the grant; and

24                           “(v) 60 percent of such for the fifth  
25                   year of the grant.

1           “(3) IN CASH OR IN-KIND.—Matching funds  
2           provided under this subsection shall be from non-  
3           Federal sources and may be provided in cash or in-  
4           kind.

5           “(b) SUPPLEMENT NOT SUPPLANT.—Federal fund-  
6           ing provided under this part shall be used to supplement  
7           and not supplant other Federal, State, or institutional re-  
8           sources that would otherwise be expended to carry out the  
9           activities described in this part.

10          “(c) MAINTENANCE OF EFFORT.—

11           “(1) IN GENERAL.—With respect to each fiscal  
12           year for which a State receives a grant under this  
13           part, the State will maintain State support for pub-  
14           lic institutions of higher education (excluding sup-  
15           port for capital projects, for research and develop-  
16           ment, and for tuition and fees paid by students) at  
17           least at the level of such support for the previous fis-  
18           cal year.

19           “(2) FINANCIAL HARDSHIP WAIVER.—A State  
20           may apply to the Secretary for a waiver of, and the  
21           Secretary may waive, the requirements of paragraph  
22           (1) if the State is experiencing a financial hardship  
23           due to a natural disaster, unforeseen decline in the  
24           financial resources of the State, or other exceptional  
25           or uncontrollable circumstances.

1 **“SEC. 796G. PERFORMANCE MEASURES.**

2 “The Secretary shall establish performance measures  
3 for the programs and activities carried out under grants  
4 awarded under this part prior to awarding grants under  
5 this part. The Secretary shall ensure that such measures  
6 are made available to potential applicants prior to seeking  
7 applications for grants under this section.

8 **“SEC. 796H. REPORTS; EVALUATIONS.**

9 “(a) REPORTS.—

10 “(1) IMPLEMENTATION GRANTS.—A State that  
11 receives an implementation grant under this part  
12 shall submit to the Secretary, at such time and in  
13 such manner as the Secretary may require, an an-  
14 nual report including, at a minimum—

15 “(A) data on the State’s progress in  
16 achieving the targets for the annual perform-  
17 ance measures established under section 796G;  
18 and

19 “(B) a description of the challenges the  
20 State has faced in carrying out the implementa-  
21 tion grant under this part, and how the State  
22 has addressed, or plans to address, such chal-  
23 lenges.

24 “(2) PLANNING GRANTS.—A State that receives  
25 a planning grant under this part shall submit to the  
26 Secretary, at such time and in such manner as the

1 Secretary may require, a report that includes a copy  
 2 of the State plan developed under the grant.

3 “(b) EVALUATION.—The Secretary shall—

4 “(1) acting through the Director of the Insti-  
 5 tute of Education Sciences, evaluate the implementa-  
 6 tion and impact of activities supported under this  
 7 part; and

8 “(2) disseminate research on best practices.

9 **“SEC. 796I. AUTHORIZATION OF APPROPRIATIONS.**

10 “There are authorized to be appropriated to carry out  
 11 this part such sums as may be necessary for fiscal year  
 12 2015 and each of the following 4 fiscal years.”.

13 **TITLE VIII—ADDITIONAL**  
 14 **PROGRAMS**

15 **SEC. 801. REORGANIZATION.**

16 Title VIII (20 U.S.C. 1161 et seq.) is amended—

17 (1) by striking parts E, H, I, K, M, N, O, R,  
 18 U, V, X, and Y;

19 (2) by redesignating parts F, G, J, L, P, Q, S,  
 20 T, W, Z, and AA as parts E, F, G, H, I, J, K, L,  
 21 M, N, and O, respectively; and

22 (3) by redesignating sections 851, 861, 872,  
 23 873, 892, 895, 897, and 898 as sections 831, 836,  
 24 841, 846, 851, 856, 861, and 862, respectively.

1 **SEC. 802. AUTHORIZATION OF APPROPRIATIONS FOR**  
 2 **PROJECT GRAD.**

3 Section 801(i) (20 U.S.C. 1161a(i)) is amended by  
 4 striking “2009” and inserting “2015”.

5 **SEC. 803. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
 6 **MATHEMATICS AND SCIENCE SCHOLARS**  
 7 **PROGRAM.**

8 Section 802(f) (20 U.S.C. 1161b(f)) is amended by  
 9 striking “2009” and inserting “2015”.

10 **SEC. 804. COMMUNITY COLLEGE AND INDUSTRY PARTNER-**  
 11 **SHIPS PROGRAM.**

12 Part C of title VIII (20 U.S.C. 1161c et seq.) is  
 13 amended to read as follows:

14 **“PART C—COMMUNITY COLLEGE AND INDUSTRY**  
 15 **PARTNERSHIPS PROGRAM**

16 **“SEC. 803. DEFINITIONS.**

17 “In this part:

18 “(1) **COMMUNITY COLLEGE.**—The term ‘com-  
 19 munity college’ means a public institution of higher  
 20 education as defined in section 102 of the Higher  
 21 Education Act, where the highest degree offered is  
 22 predominantly the associate’s degree.

23 “(2) **LOCAL BOARD.**—The term ‘local board’  
 24 has the meaning given the term in section 3 of the  
 25 Workforce Innovation and Opportunity Act.

1           “(3) NONTRADITIONAL STUDENT.—The term  
2           ‘nontraditional student’ means a student who is a  
3           low-income student and—

4                   “(A) who is an independent student, as de-  
5                   fined in section 480(d), or is an individual with  
6                   a disability as defined in section 3 of the Ameri-  
7                   cans with Disabilities Act of 1990 (42 U.S.C.  
8                   12102);

9                   “(B) who attends an institution of higher  
10                  education—

11                           “(i) on less than a full-time basis;

12                           “(ii) via evening, weekend, modular,  
13                           or compressed courses; or

14                           “(iii) via distance education methods;  
15                           and

16                   “(C) who—

17                           “(i) enrolled for the first time in an  
18                           institution of higher education 3 or more  
19                           years after completing secondary school; or

20                           “(ii) is employed for not less than 25  
21                           hours per week.

22           “(4) RECOGNIZED POSTSECONDARY CREDEN-  
23           TIAL.—The term ‘recognized postsecondary creden-  
24           tial’ means a credential consisting of—

1           “(A) an industry-recognized certificate or  
2           certification;

3           “(B) a certificate of completion of an ap-  
4           prenticeship registered under the Act of August  
5           16, 1937 (commonly known as the ‘National  
6           Apprenticeship Act’; 50 Stat. 664, chapter 663;  
7           29 U.S.C. 50 et seq.), referred to as a ‘reg-  
8           istered apprenticeship’ for the purpose of this  
9           part;

10          “(C) a license recognized by the State in-  
11          volved or the Federal Government; or

12          “(D) an associate’s or baccalaureate de-  
13          gree.

14          “(5) SECRETARIES.—The term ‘Secretaries’  
15          means the Secretary of Education and the Secretary  
16          of Labor.

17          “(6) STATE BOARD.—The term ‘State board’  
18          has the meaning given the term in section 3 of the  
19          Workforce Innovation and Opportunity Act.

20       **“SEC. 803A. COMMUNITY COLLEGE AND INDUSTRY PART-**  
21       **NERSHIPS PROGRAM.**

22          “(a) GRANTS AUTHORIZED.—From funds appro-  
23          priated under section 803C, the Secretaries, in accordance  
24          with the interagency agreement described in section 803B,  
25          shall award competitive grants to eligible entities described

1 in subsection (b) for the purpose of developing, offering,  
 2 improving, or providing educational or career training pro-  
 3 grams.

4 “(b) ELIGIBLE ENTITY.—

5 “(1) PARTNERSHIPS WITH EMPLOYERS OR AN  
 6 EMPLOYER OR INDUSTRY PARTNERSHIP.—In order  
 7 to be eligible for a grant under this section, an enti-  
 8 ty shall—

9 “(A) be—

10 “(i) a community college that will use  
 11 funds provided under this section for ac-  
 12 tivities at the certificate and associate’s de-  
 13 gree levels;

14 “(ii) a 4-year public institution of  
 15 higher education that offers 2-year de-  
 16 grees, and that will use funds provided  
 17 under this section for activities at the cer-  
 18 tificate and associate’s degree levels;

19 “(iii) a Tribal College or University  
 20 (as defined in section 316(b));

21 “(iv) a public or private nonprofit 2-  
 22 year institution of higher education (as de-  
 23 fined in section 102) in the Commonwealth  
 24 of Puerto Rico, Guam, the United States  
 25 Virgin Islands, American Samoa, the Com-

monwealth of the Northern Mariana Islands, or any of the Freely Associated States; or

“(v) a consortium of entities described in any of clauses (i) through (iv); and

“(B) for purposes of the grant, be in partnership with—

“(i) an employer; or

“(ii) an industry partnership representing multiple employers.

“(2) ADDITIONAL PARTNERS.—

“(A) AUTHORIZATION OF ADDITIONAL PARTNERS.—In addition to partnering with an entity described in paragraph (1)(B), an entity described in paragraph (1)(A) may include in the partnership 1 or more of the following entities:

“(i) An adult education provider or institution of higher education.

“(ii) A community-based organization with demonstrated expertise in serving non-traditional students or providing education and training to workers or disconnected youth.

1                   “(iii) A joint labor-management part-  
2                   nership.

3                   “(iv) A State board or local board.

4                   “(v) Any other organization that the  
5                   Secretaries consider appropriate.

6                   “(B) COLLABORATION WITH STATE AND  
7                   LOCAL BOARDS.—An eligible entity shall col-  
8                   laborate with the State board or local board, as  
9                   appropriate, in the area served by the eligible  
10                  entity.

11               “(c) APPLICATION.—An eligible entity seeking a  
12               grant under this section shall submit an application to the  
13               Secretaries at such time and containing such information  
14               as the Secretaries determine is required, including a de-  
15               tailed description of—

16               “(1) the specific educational or career training  
17               program that the eligible entity proposes and how  
18               the program meets the criteria established under  
19               subsection (d), including the manner in which the  
20               grant will be used to develop, offer, improve, or pro-  
21               vide the educational or career training program;

22               “(2) the extent to which the program will meet  
23               the educational or career training needs of workers  
24               in the area served by the eligible entity;

1           “(3) the extent to which the program will meet  
2           the skill needs of employers in the area for workers  
3           in in-demand industry sectors and occupations;

4           “(4) the extent to which the proposed program  
5           fits within any overall strategic plan regarding edu-  
6           cation and training developed by the eligible entity;

7           “(5)(A) any previous experience of the eligible  
8           entity in providing educational or career training  
9           programs, including the use of research-based mod-  
10          els to provide such programs; or

11          “(B) in the case of an eligible entity without  
12          previous experience, a detailed description of how  
13          the entity will carry out the activities required under  
14          the grant, including the research-based model the  
15          entity plans to use to provide such programs;

16          “(6) the recognized postsecondary credentials  
17          that participants in the proposed educational or ca-  
18          reer training program will obtain, and how the pro-  
19          gram meets quality criteria for programs leading to  
20          such credentials, as established by the Governor of  
21          a State in which at least 1 of the entities described  
22          in subsection (b)(1)(A) that comprise the eligible en-  
23          tity is located;

1           “(7) how the eligible entity will sustain the edu-  
2           cational or career training program after the end of  
3           grant period;

4           “(8) how any educational or career training  
5           program developed under this grant will be coordi-  
6           nated with existing education and training pro-  
7           grams, as of the date of the application, in the rel-  
8           evant State and region that are supported by Fed-  
9           eral, State, or other funds; and

10          “(9) how the eligible entity will measure the  
11          performance of, and evaluate, the educational or ca-  
12          reer training program to be supported by this grant,  
13          including the performance outcomes to be used by  
14          the eligible entity and an assurance that such entity  
15          will provide the information requested by the Secre-  
16          taries for evaluations and reports under subsection  
17          (f).

18          “(d) CRITERIA FOR AWARD.—

19               “(1) IN GENERAL.—Grants under this section  
20               shall be awarded based on criteria established by the  
21               Secretaries that include the following:

22                   “(A) A determination of the merits of the  
23                   proposal, in each application, to develop, offer,  
24                   improve, or provide an educational or career  
25                   training program. In making such a determina-

tion, the Secretaries shall not automatically disqualify an eligible entity because of the absence of previous experience described in subsection (c)(5)(A).

“(B) An assessment of the current and projected employment opportunities available (as of the date of the application) in the area to individuals who complete an educational or career training program that the eligible entity proposes to develop, offer, improve, or provide.

“(C) An assessment of prior demand for training programs by individuals eligible for training and served by the eligible entity, as well as availability and capacity of existing (as of the date of the assessment) training programs to meet future demand for training programs.

“(2) PRIORITY.—In awarding grants under this section, the Secretaries shall give priority to eligible entities that—

“(A) are in a partnership with an employer or an industry partnership that—

“(i) agrees to pay a portion of the costs for participants of educational or ca-

1           reer training programs supported under  
2           the grant; or

3           “(ii) agrees to hire individuals who  
4           have attained a recognized postsecondary  
5           credential resulting from the educational or  
6           career training program supported under  
7           the grant;

8           “(B) enter into a partnership with a labor  
9           organization, labor-management training pro-  
10          gram, or registered apprenticeship program, to  
11          provide, through the educational or career  
12          training program, technical expertise for occu-  
13          pationally specific education necessary for a rec-  
14          ognized postsecondary credential leading to a  
15          skilled occupation in an in-demand industry sec-  
16          tor;

17          “(C) demonstrate a partnership with a  
18          State board or local board, as appropriate;

19          “(D) are focused on serving individuals  
20          with barriers to employment, youth who are  
21          out-of-school or not in the workforce, low-in-  
22          come, nontraditional students, students who are  
23          dislocated workers, students who are veterans,  
24          or students who are long-term unemployed;

1           “(E) include community colleges serving  
 2           areas with high unemployment rates, including  
 3           rural areas and areas with high unemployment  
 4           rates for youth;

5           “(F) are eligible entities that include an  
 6           institution of higher education eligible for as-  
 7           sistance under title III or V; or

8           “(G) are in a partnership, with an em-  
 9           ployer or industry partnership, that increases  
 10          domestic production of goods, such as advanced  
 11          manufacturing or production of clean energy  
 12          technology.

13          “(e) USE OF FUNDS.—Grant funds awarded under  
 14          this section shall be used for 1 or more of the following:

15               “(1) The development, offering, improvement,  
 16               or provision of educational or career training pro-  
 17               grams that—

18                       “(A) provide relevant job training for occu-  
 19                       pations that will meet the needs of employers in  
 20                       in-demand industry sectors; and

21                       “(B) may include registered apprenticeship  
 22                       programs, on-the-job training programs, and  
 23                       programs that support employers in upgrading  
 24                       the skills of their workforce.

1           “(2) The development and implementation of  
2 policies and programs to expand opportunities for  
3 students to earn a recognized postsecondary creden-  
4 tial, including a degree, in in-demand industry sec-  
5 tors or occupations, including by—

6           “(A) facilitating the transfer of academic  
7 credits between institutions of higher education  
8 in the State, including the transfer of academic  
9 credits for courses in the same field of study;

10          “(B) expanding articulation agreements  
11 and policies that guarantee transfers between  
12 such institutions, including through common  
13 course numbering and use of a general core  
14 curriculum; and

15          “(C) developing or enhancing student sup-  
16 port services programs.

17          “(3) The creation or enhancement of programs  
18 that provide a sequence or integration of education  
19 and occupational training that leads to a recognized  
20 postsecondary credential, including a degree, includ-  
21 ing programs that—

22          “(A) provide adult education and literacy  
23 activities concurrently and contextually with oc-  
24 cupational training, and support services for

1 participants, which may include such activities  
2 and services provided along a career pathway;

3 “(B) facilitate means of transitioning par-  
4 ticipants from non-credit occupational, adult  
5 education, or developmental coursework to for-  
6 credit coursework within and across institu-  
7 tions;

8 “(C) build or enhance linkages, including  
9 the development of dual enrollment programs  
10 and early college high schools, between sec-  
11 ondary education or adult education programs  
12 (including programs established under the Carl  
13 D. Perkins Career and Technical Education Act  
14 of 2006 (20 U.S.C. 2301 et seq.) and the Adult  
15 Education and Family Literacy Act (20 U.S.C.  
16 9201 et seq.));

17 “(D) are innovative programs designed to  
18 increase the provision of training for students,  
19 including students who are members of the Na-  
20 tional Guard or Reserves, to enter occupations  
21 in in-demand industry sectors; or

22 “(E) support paid internships that will  
23 allow students to simultaneously earn postsec-  
24 ondary credit and gain relevant employment ex-  
25 perience in an in-demand industry sector or oc-

1           cupation through work-based learning, which  
 2           shall include opportunities that transition indi-  
 3           viduals into employment.

4           “(4) The support of skills consortia in an in-de-  
 5           mand industry sector that will identify pressing  
 6           workforce needs and develop solutions such as—

7                   “(A) standardizing industry certifications;

8                   “(B) developing new training technologies;

9           and

10                   “(C) collaborating with industry employers  
 11           to define and describe how specific skills lead to  
 12           particular jobs and career opportunities.

13           “(f) EVALUATIONS AND REPORTS.—

14                   “(1) ANNUAL REPORTS TO SECRETARIES.—

15                           “(A) IN GENERAL.—Each eligible entity  
 16           receiving a grant under this section shall sub-  
 17           mit to the Secretaries an annual report regard-  
 18           ing the activities carried out under the grant,  
 19           including the progress made by the educational  
 20           or career training program with respect to the  
 21           performance outcomes described in subsection  
 22           (c)(9) and any other information the Secre-  
 23           taries may require.

24                           “(B) DISAGGREGATION.—The data pro-  
 25           vided to the Secretaries in accordance with this

1 subsection shall be disaggregated by, at a min-  
2 imum, race, ethnicity, and eligibility to receive  
3 a Federal Pell Grant, except that such  
4 disaggregation shall not be required when the  
5 number of participants in a category is insuffi-  
6 cient to yield statistically reliable information or  
7 when the results would reveal personally identi-  
8 fiable information about an individual partici-  
9 pant.

10 “(2) EVALUATIONS.—The Secretaries shall, di-  
11 rectly or by contract, conduct an annual evaluation  
12 of the grant program carried out under this section,  
13 which will include a determination of the progress  
14 made by each educational or career training pro-  
15 gram supported by the grant with respect to the per-  
16 formance outcomes described in subsection (c)(9),  
17 using the reports provided by the eligible entities  
18 under paragraph (1) and any other information that  
19 the Secretaries request from the eligible entities for  
20 purposes of the evaluation.

21 “(3) REPORTS TO CONGRESS.—The Secretaries  
22 shall jointly develop and submit a biennial report to  
23 the authorizing committees regarding the grants  
24 awarded under this section and the outcomes of such  
25 grants, including the progress made by each edu-

1        cational or career training program supported under  
2        such grant with respect to the performance outcomes  
3        described in subsection (c)(9) and the results of the  
4        evaluations described in paragraph (2).

5        **“SEC. 803B. INTERAGENCY AGREEMENT.**

6        “(a) IN GENERAL.—The Secretary of Labor and the  
7        Secretary of Education shall jointly develop policies for the  
8        administration of this part in accordance with such terms  
9        as the Secretaries shall set forth in an interagency agree-  
10       ment. Such interagency agreement, at a minimum, shall  
11       include a description of the respective roles and respon-  
12       sibilities of the Secretaries in carrying out this part (both  
13       jointly and separately), including—

14                “(1) how the funds available under this part  
15        will be obligated and disbursed and compliance with  
16        applicable laws (including regulations) will be en-  
17        sured, as well as how the recipients of the grants  
18        will be selected and monitored;

19                “(2) how evaluations and research will be con-  
20        ducted on the effectiveness of grants awarded under  
21        this part in addressing the education and employ-  
22        ment needs of workers, and employers;

23                “(3) how technical assistance will be provided  
24        to applicants and grant recipients;

1           “(4) how information will be disseminated, in-  
 2           cluding through electronic means, on best practices  
 3           and effective strategies and service delivery models  
 4           for activities carried out under this part; and

5           “(5) how policies and processes critical to the  
 6           successful achievement of the education, training,  
 7           and employment goals of this part will be estab-  
 8           lished.

9           “(b) **TRANSFER AUTHORITY.**—The Secretary of  
 10          Labor and the Secretary of Education shall have the au-  
 11          thority to transfer funds between the Department of  
 12          Labor and the Department of Education to carry out this  
 13          part in accordance with the agreement described in sub-  
 14          section (a).

15          **“SEC. 803C. AUTHORIZATION OF APPROPRIATIONS.**

16           “‘There are authorized to be appropriated such sums  
 17          as may be necessary to carry out this part for fiscal year  
 18          2015 and each of the 4 succeeding fiscal years.’”.

19          **SEC. 805. AUTHORIZATION OF APPROPRIATIONS FOR CA-**  
 20                           **PACITY FOR NURSING STUDENTS AND FAC-**  
 21                           **ULTY.**

22          Section 804(f) (20 U.S.C. 1161d(f)) is amended by  
 23          striking “2009” and inserting “2015”.

1 **SEC. 806. AUTHORIZATION OF APPROPRIATIONS FOR**  
2 **TEACH FOR AMERICA.**

3 Section 806(f) (20 U.S.C. 1161f(f)) is amended by  
4 striking paragraph (1) and inserting the following:

5 “(1) IN GENERAL.—For the purpose of car-  
6 rying out this section, there are authorized to be ap-  
7 propriated such sums as may be necessary for fiscal  
8 year 2015 and each of the five succeeding fiscal  
9 years.”.

10 **SEC. 807. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
11 **PATSY T. MINK FELLOWSHIP PROGRAM.**

12 Section 807(f) (20 U.S.C. 1161g(f)) is amended by  
13 striking “2009” and inserting “2015”.

14 **SEC. 808. AUTHORIZATION OF APPROPRIATIONS FOR IM-**  
15 **PROVING SCIENCE, TECHNOLOGY, ENGI-**  
16 **NEERING, AND MATHEMATICS EDUCATION**  
17 **WITH A FOCUS ON ALASKA NATIVE AND NA-**  
18 **TIVE HAWAIIAN STUDENTS.**

19 Section 819(i) (20 U.S.C. 1161j(i)) is amended by  
20 striking “2009” and inserting “2015”.

21 **SEC. 809. AUTHORIZATION OF APPROPRIATIONS FOR STU-**  
22 **DENT SAFETY AND CAMPUS EMERGENCY**  
23 **MANAGEMENT.**

24 Section 821(f) (20 U.S.C. 1161l(f)) is amended by  
25 striking “2009” and inserting “2015”.

1 **SEC. 810. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
2 **EDUCATION DISASTER AND EMERGENCY RE-**  
3 **LIEF PROGRAM.**

4 Section 824(i) (20 U.S.C. 1161l–3(i)) is amended by  
5 striking “2009” and inserting “2015”.

6 **SEC. 811. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
7 **JOBS TO CAREERS PROGRAM.**

8 Section 831(j), as redesignated by paragraph (3) of  
9 section 801 (20 U.S.C. 1161p(j)), is amended by striking  
10 “2009” and inserting “2015”.

11 **SEC. 812. AUTHORIZATION OF APPROPRIATIONS FOR**  
12 **RURAL DEVELOPMENT GRANTS FOR RURAL-**  
13 **SERVING COLLEGES AND UNIVERSITIES.**

14 Section 861(g), as redesignated by paragraph (3) of  
15 section 801 (20 U.S.C. 1161q(g)), is amended by striking  
16 “2009” and inserting “2015”.

17 **SEC. 813. AUTHORIZATION OF APPROPRIATIONS FOR**  
18 **TRAINING FOR REALTIME WRITERS.**

19 Section 841(e), as redesignated by paragraph (3) of  
20 section 801 (20 U.S.C. 1161s(e)), is amended by striking  
21 “2009” and inserting “2015”.

1 **SEC. 814. AUTHORIZATION OF APPROPRIATIONS FOR CEN-**  
2 **TERS OF EXCELLENCE FOR VETERAN STU-**  
3 **DENT SUCCESS.**

4 Section 846(f), as redesignated by paragraph (3) of  
5 section 801 (20 U.S.C. 1161t(f)), is amended by striking  
6 “2009” and inserting “2015”.

7 **SEC. 815. AUTHORIZATION OF APPROPRIATIONS FOR PATH**  
8 **TO SUCCESS.**

9 Section 851(g), as redesignated by paragraph (3) of  
10 section 801 (20 U.S.C. 1161w(g)), is amended by striking  
11 “2009” and inserting “2015”.

12 **SEC. 816. AUTHORIZATION OF APPROPRIATIONS FOR THE**  
13 **HENRY KUUALOHA GIUGNI KUPUNA MEMO-**  
14 **RIAL ARCHIVES.**

15 Section 856(c), as redesignated by paragraph (3) of  
16 section 801 (20 U.S.C. 1161z(c)), is amended by striking  
17 “2009” and inserting “2015”.

18 **SEC. 817. APPROPRIATIONS FOR MASTERS DEGREE PRO-**  
19 **GRAMS.**

20 Section 861 as redesignated by paragraph (3) of sec-  
21 tion 801 (20 U.S.C. 1161aa), is amended by striking  
22 “\$11,500,000 for fiscal year 2009” and inserting “such  
23 sums as may be necessary for fiscal year 2015”.

1 **SEC. 818. APPROPRIATIONS FOR POSTBACCALAUREATE**  
 2 **PROGRAMS.**

3 Section 862 as redesignated by paragraph (3) of sec-  
 4 tion 801 (20 U.S.C. 1161aa–1), is amended by striking  
 5 “\$11,500,000 for fiscal year 2009” and inserting “such  
 6 sums as may be necessary for fiscal year 2015”.

7 **SEC. 819. TYLER CLEMENTI PROGRAM.**

8 Title VIII (20 U.S.C. 1161 et seq.), as amended by  
 9 section 801, is further amended by adding at the end the  
 10 following:

11 **“PART P—TYLER CLEMENTI PROGRAM**

12 **“SEC. 864. TYLER CLEMENTI PROGRAM.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
 15 tity’ means—

16 “(A) an institution of higher education, in-  
 17 cluding an institution of higher education in a  
 18 collaborative partnership with a nonprofit orga-  
 19 nization; or

20 “(B) a consortium of institutions of higher  
 21 education located in the same State.

22 “(2) HARASSMENT.—The term ‘harassment’  
 23 has the meaning given the term in section  
 24 485(f)(6)(A).

25 “(b) PROGRAM AUTHORIZED.—The Secretary is au-  
 26 thorized to award grants, on a competitive basis, to eligible

1 entities to enable eligible entities to carry out the author-  
2 ized activities described in subsection (d).

3       “(c) AMOUNT OF GRANT AWARDS.—The Secretary  
4 shall ensure that each grant awarded under this section  
5 is of sufficient amount to enable the grantee to meet the  
6 purpose of this section.

7       “(d) AUTHORIZED ACTIVITIES.—An eligible entity  
8 that receives a grant under this section shall use the funds  
9 made available through the grant to address 1 or more  
10 of the types of harassment listed in section  
11 485(f)(6)(A)(vi) by initiating, expanding, or improving  
12 programs—

13               “(1) to prevent the harassment of students at  
14 institutions of higher education;

15               “(2) at institutions of higher education that  
16 provide counseling or redress services to students  
17 who have suffered such harassment or students who  
18 have been accused of subjecting other students to  
19 such harassment; or

20               “(3) that educate or train students, faculty, or  
21 staff of institutions of higher education about ways  
22 to prevent harassment or ways to address such har-  
23 assment if it occurs.

24       “(e) APPLICATION.—To be eligible to receive a grant  
25 under this section, an eligible entity shall submit an appli-

1 cation to the Secretary at such time, in such manner, and  
 2 containing such information, as the Secretary may re-  
 3 quire.

4 “(f) DURATION; RENEWAL.—A grant under this sec-  
 5 tion shall be awarded for a period of not more than 3  
 6 years. The Secretary may renew a grant under this section  
 7 for 1 additional period of not more than 2 years.

8 “(g) AWARD CONSIDERATIONS.—In awarding a  
 9 grant under this section, the Secretary shall select eligible  
 10 entities that demonstrate the greatest need for a grant  
 11 and the greatest potential benefit from receipt of a grant.

12 “(h) REPORT AND EVALUATION.—

13 “(1) EVALUATION AND REPORT TO THE SEC-  
 14 RETARY.—Not later than 6 months after the end of  
 15 the eligible entity’s grant period, the eligible entity  
 16 shall—

17 “(A) evaluate the effectiveness of the ac-  
 18 tivities carried out with the use of funds award-  
 19 ed pursuant to this section in decreasing har-  
 20 assment and improving tolerance; and

21 “(B) prepare and submit to the Secretary  
 22 a report on the results of the evaluation con-  
 23 ducted by the entity.

24 “(2) EVALUATION AND REPORT TO CON-  
 25 GRESS.—Not later than 12 months after the date of

1 receipt of the first report submitted pursuant to  
2 paragraph (1) and annually thereafter, the Secretary  
3 shall provide to Congress a report that includes the  
4 following:

5 “(A) The number and types of eligible en-  
6 tities receiving assistance under this section.

7 “(B) The anti-harassment programs being  
8 implemented with assistance under this section  
9 and the costs of such programs.

10 “(C) Any other information determined by  
11 the Secretary to be useful in evaluating the  
12 overall effectiveness of the program established  
13 under this section in decreasing incidents of  
14 harassment at institutions of higher education.

15 “(3) BEST PRACTICES REPORT.—The Secretary  
16 shall use the information provided under paragraph  
17 (1) to publish a report of best practices for com-  
18 bating harassment at institutions of higher edu-  
19 cation. The report shall be made available to all in-  
20 stitutions of higher education and other interested  
21 parties.

22 “(i) AUTHORIZATION OF APPROPRIATIONS.—There  
23 are authorized to be appropriated to carry out this section  
24 such sums as may be necessary for fiscal year 2015 and  
25 each of the 4 succeeding fiscal years.”.

1 **TITLE IX—HIGHER EDUCATION**  
2 **OPPORTUNITIES AND SUP-**  
3 **PORTS FOR STUDENTS WITH**  
4 **DISABILITIES**

5 **SEC. 901. HIGHER EDUCATION OPPORTUNITIES AND SUP-**  
6 **PORTS FOR STUDENTS WITH DISABILITIES.**

7 The Act (20 U.S.C. 1001 et seq.) is amended by add-  
8 ing at the end the following:

9 **“TITLE IX—HIGHER EDUCATION**  
10 **OPPORTUNITIES AND SUP-**  
11 **PORTS FOR STUDENTS WITH**  
12 **DISABILITIES**

13 **“PART A—NATIONAL ACTIVITIES**

14 **“SEC. 901. NATIONAL TECHNICAL ASSISTANCE CENTERS**  
15 **FOR HIGHER EDUCATION ACCESS.**

16 “(a) PURPOSE.—It is the purpose of this section to  
17 provide technical assistance and information—

18 “(1) about the rights and responsibilities of  
19 postsecondary students with disabilities under the  
20 Americans with Disabilities Act of 1990 (42 U.S.C.  
21 12101 et seq.) and the Rehabilitation Act of 1973  
22 (29 U.S.C. 701 et seq.); and

23 “(2) to support the recruitment, enrollment, re-  
24 tention, graduation, and education of such students.

1       “(b) ADMINISTRATION.—The activities under this  
 2 section shall be jointly administered by the Office of Post-  
 3 secondary Education and the Office of Special Education  
 4 and Rehabilitative Services.

5       “(c) NATIONAL TECHNICAL ASSISTANCE CENTER  
 6 FOR COLLEGE STUDENTS WITH DISABILITIES AND  
 7 THEIR FAMILIES.—

8               “(1) IN GENERAL.—From amounts appro-  
 9 priated to carry out this section, the Secretary shall  
 10 award a grant to, or enter into a contract or cooper-  
 11 ative agreement with, an eligible entity to provide  
 12 for the establishment and support of a National  
 13 Technical Assistance Center for College Students  
 14 With Disabilities and Their Families (hereafter re-  
 15 ferred to as the ‘National Center for Students With  
 16 Disabilities’). The National Center for Students  
 17 With Disabilities shall carry out the duties set forth  
 18 in paragraph (3).

19               “(2) ELIGIBLE ENTITY.—In this subsection, the  
 20 term ‘eligible entity’ means an institution of higher  
 21 education, a nonprofit organization, or a partnership  
 22 of 2 or more such institutions or organizations, with  
 23 demonstrated expertise in—

24                       “(A) the recruitment, enrollment, reten-  
 25 tion, graduation, and education of students with

1 disabilities, including students with autism  
 2 spectrum disorder and other developmental dis-  
 3 abilities, in postsecondary education;

4 “(B) the technical knowledge necessary for  
 5 the dissemination of information in accessible  
 6 formats; and

7 “(C) creating and disseminating convenient  
 8 and credible online resources.

9 “(3) DUTIES.—The National Center for Stu-  
 10 dents With Disabilities shall provide information and  
 11 technical assistance to postsecondary students with  
 12 disabilities and the families of postsecondary stu-  
 13 dents with disabilities to support students across the  
 14 broad spectrum of disabilities, including individuals  
 15 with autism spectrum disorder and other develop-  
 16 mental disabilities, which may include providing—

17 “(A) information to assist individuals with  
 18 disabilities who are prospective students of an  
 19 institution of higher education in planning for  
 20 postsecondary education while in secondary  
 21 school, and earlier;

22 “(B) information and technical assist-  
 23 ance—

24 “(i) including self-advocacy skills, to  
 25 individualized education program teams (as

1 defined in section 614(d)(1) of the Individ-  
2 uals with Disabilities Education Act) for  
3 secondary school students with disabilities;  
4 and

5 “(ii) to early outreach and student  
6 services programs to support students  
7 across a broad spectrum of disabilities with  
8 the successful transition to postsecondary  
9 education;

10 “(C) information on evidence-based sup-  
11 ports, services, and accommodations that are  
12 available in postsecondary settings, including  
13 services such as vocational rehabilitation that  
14 are provided by other agencies, and providing  
15 information about how to qualify for those serv-  
16 ices;

17 “(D) information on student mentoring  
18 and networking opportunities for students with  
19 disabilities;

20 “(E) information on effective recruitment  
21 and transition programs at postsecondary edu-  
22 cational institutions; and

23 “(F) information on support (including  
24 tuition, as appropriate) for advanced training in  
25 a science, technology, engineering, or mathe-

1           matics (including computer science) field, medi-  
2           cine, law, or business.

3           “(d) NATIONAL TECHNICAL ASSISTANCE CENTER  
4 FOR DISABILITY SUPPORT SERVICES AT INSTITUTIONS  
5 OF HIGHER EDUCATION.—

6           “(1) IN GENERAL.—From amounts appro-  
7 priated to carry out this section, the Secretary shall  
8 award a grant to, or enter into a contract or cooper-  
9 ative agreement with, an eligible entity to provide  
10 for the establishment and support of a National  
11 Technical Assistance Center for Disability Support  
12 Services at Institutions of Higher Education (here-  
13 after referred to as the ‘National Center for Institu-  
14 tions of Higher Education’). The National Center  
15 for Institutions of Higher Education shall carry out  
16 the duties set forth in paragraph (3).

17           “(2) ELIGIBLE ENTITY.—In this subsection, the  
18 term ‘eligible entity’ means an institution of higher  
19 education, a nonprofit organization, or a partnership  
20 of 2 or more such institutions or organizations, with  
21 demonstrated expertise in—

22           “(A) the recruitment, enrollment, reten-  
23 tion, graduation, and education of students with  
24 disabilities in postsecondary education, includ-

1 ing students with autism spectrum disorder and  
2 other developmental disabilities;

3 “(B) supporting faculty and understanding  
4 best practices in working with students with  
5 disabilities, including students with autism  
6 spectrum disorder and other developmental dis-  
7 abilities;

8 “(C) technical knowledge necessary for the  
9 dissemination of information in accessible for-  
10 mats; and

11 “(D) identifying instructional strategies  
12 that are effective for students with disabilities,  
13 including students with autism spectrum dis-  
14 order and other developmental disabilities.

15 “(3) DUTIES.—The National Center for Insti-  
16 tutions of Higher Education shall provide informa-  
17 tion and technical assistance to faculty, staff, and  
18 administrators of institutions of higher education to  
19 improve the services provided to, the accommoda-  
20 tions for, the retention rates of, and the completion  
21 rates of, students with disabilities, including stu-  
22 dents with autism spectrum disorder and other de-  
23 velopmental disabilities, in higher education settings,  
24 which may include—

1           “(A) collecting, developing, and dissemi-  
2           nating quality indicators and best and prom-  
3           ising practices and materials for accommo-  
4           dating and supporting students with disabilities;

5           “(B) training and supporting students  
6           with disabilities to enhance and support their  
7           self-advocacy skills;

8           “(C) promoting awareness of, and the use  
9           of, assistive technology and augmentative com-  
10          munication in postsecondary education settings;

11          “(D) developing and providing training  
12          modules for higher education faculty and staff  
13          on exemplary practices for accommodating and  
14          supporting postsecondary students with disabil-  
15          ities across a range of academic fields, which  
16          may include universal design for learning;

17          “(E) developing technology-based tutorials  
18          for higher education faculty and staff, including  
19          new faculty and graduate students, on evidence-  
20          based best and promising practices related to  
21          support and retention of students with disabil-  
22          ities in postsecondary education;

23          “(F) developing and providing training and  
24          technical assistance for faculty and staff of in-  
25          stitutions of higher education on emerging evi-

1            dence-based best practices for the selection,  
 2            production, and timely delivery of high-quality  
 3            accessible instructional materials to meet the  
 4            needs of students with disabilities in postsec-  
 5            ondary settings;

6            “(G) developing and disseminating an evi-  
 7            dence-based operational model for institutions  
 8            of higher education to timely provide high-qual-  
 9            ity accessible instructional materials to students  
 10          with disabilities; and

11          “(H) information on providing support (in-  
 12          cluding tuition, as appropriate) for advanced  
 13          training in a science, technology, engineering,  
 14          or mathematics (including computer science)  
 15          field, medicine, law, or business.

16 **“SEC. 902. NATIONAL DATA CENTER ON HIGHER EDU-**  
 17 **CATION AND DISABILITY.**

18          “(a) PURPOSE.—It is the purpose of this section to  
 19 collect, maintain, and disseminate data and information  
 20 about the experiences and outcomes of postsecondary edu-  
 21 cation students with disabilities.

22          “(b) NATIONAL DATA CENTER.—

23            “(1) IN GENERAL.—From amounts appro-  
 24 priated to carry out this section, the Secretary shall  
 25 award a grant to, or enter into a contract or cooper-

1       ative agreement with, an eligible entity to provide  
 2       for the establishment and support of a National  
 3       Data Center on Higher Education and Disability (in  
 4       this part referred to as the ‘National Data Center’).  
 5       The National Data Center shall carry out the duties  
 6       set forth in paragraph (4).

7               “(2) ADMINISTRATION.—The program under  
 8       this section shall be jointly administered by the Of-  
 9       fice of Postsecondary Education and the Office of  
 10      Special Education and Rehabilitative Services.

11              “(3) ELIGIBLE ENTITY.—In this section, the  
 12      term ‘eligible entity’ means an institution of higher  
 13      education, a nonprofit organization, or a partnership  
 14      of 2 or more such institutions or organizations, with  
 15      demonstrated expertise in—

16              “(A) supporting students with disabilities  
 17      in postsecondary education;

18              “(B) technical knowledge necessary for the  
 19      dissemination of information in accessible for-  
 20      mats; and

21              “(C) working with diverse types of institu-  
 22      tions of higher education, including community  
 23      colleges.

24              “(4) DUTIES.—The duties of the National Data  
 25      Center shall include the following:

1                   “(A) INFORMATION COLLECTION AND DIS-  
2                   SEMINATION.—

3                   “(i) DATABASE.—The National Data  
4                   Center shall be responsible for using the  
5                   data submitted in accordance with section  
6                   903—

7                   “(I) to build, maintain, and up-  
8                   date a database of information about  
9                   disability support services provided by  
10                  institutions of higher education; or

11                  “(II) to expand and update any  
12                  existing database containing such in-  
13                  formation.

14                  “(ii) CONTENTS OF DATABASE.—The  
15                  database described in clause (i) shall con-  
16                  tain de-identified, individual student-level  
17                  data for every student who discloses the  
18                  student’s disability to, and seeks disability  
19                  accommodations from, the institution of  
20                  higher education that the student attends,  
21                  including—

22                  “(I) the student’s disability cat-  
23                  egory described in section 903(a);

24                  “(II) the supports and accom-  
25                  modations provided to the student;

1 “(III) enrollment information, in-  
2 cluding the student’s program of  
3 study, progress toward completion of  
4 a certificate or degree, and program  
5 completion status; and

6 “(IV) information about the stu-  
7 dent’s employment or further edu-  
8 cation for the 5 years following com-  
9 pletion of the student’s program of  
10 study.

11 “(iii) INFORMATION FOR EACH INSTI-  
12 TUTION OF HIGHER EDUCATION.—In addi-  
13 tion to the data described in clause (ii),  
14 such database shall include, for each insti-  
15 tution of higher education required to sub-  
16 mit information in accordance with section  
17 903—

18 “(I) the institution’s—

19 “(aa) disability documenta-  
20 tion requirements;

21 “(bb) support services that  
22 are available for students with  
23 disabilities;

1                   “(cc) policies on accom-  
2                   modations for students with dis-  
3                   abilities; and

4                   “(dd) accessible instruc-  
5                   tional materials;

6                   “(II) regularly updated reports  
7                   regarding the students with disabil-  
8                   ities who sought disability accom-  
9                   modations through the institution’s  
10                  disability support services office, in-  
11                  cluding information about the services  
12                  received by such students;

13                  “(III) other information relevant  
14                  to students with disabilities, as deter-  
15                  mined by the Secretary; and

16                  “(IV) the information described  
17                  in subparagraphs (A) through (D) of  
18                  paragraph (5).

19                  “(iv) WEBSITE.—The National Data  
20                  Center shall make available to the general  
21                  public, through a website that is built to  
22                  high technical standards of accessibility  
23                  practicable for the broad spectrum of indi-  
24                  viduals with disabilities—

1 “(I) the data described in clause  
2 (ii), aggregated at the institution  
3 level;

4 “(II) the information described in  
5 clause (iii); and

6 “(III) links to information about  
7 student financial aid, including Fed-  
8 eral and institutional student aid.

9 “(B) DISABILITY SUPPORT SERVICES.—  
10 The National Data Center shall work with or-  
11 ganizations and individuals that have proven ex-  
12 pertise related to disability support services for  
13 postsecondary students with disabilities to  
14 evaluate, improve, and disseminate information  
15 related to the delivery of high-quality disability  
16 support services at institutions of higher edu-  
17 cation.

18 “(5) REVIEW AND REPORT.—Not later than 3  
19 years after the establishment of the National Data  
20 Center, and every 2 years thereafter, the National  
21 Center shall prepare and disseminate a report to the  
22 Secretary and the authorizing committees of Con-  
23 gress analyzing the condition of postsecondary serv-  
24 ices and success for students with disabilities. Such  
25 report shall include—

1           “(A) a review of the activities and the ef-  
2           fectiveness of the programs authorized under  
3           this part;

4           “(B) annual enrollment, retention, and  
5           graduation rates of students with disabilities in  
6           institutions of higher education that receive  
7           funds under title IV, disaggregated by disability  
8           according to the categories established under  
9           section 903(a) (unless disaggregation results in  
10          possible identification of a student);

11          “(C) recommendations for effective post-  
12          secondary supports and services for students  
13          with disabilities, and how such supports and  
14          services may be widely implemented at institu-  
15          tions of higher education;

16          “(D) recommendations on reducing bar-  
17          riers to full participation for students with dis-  
18          abilities in higher education; and

19          “(E) a description of disability support  
20          services and strategies with a demonstrated  
21          record of effectiveness in improving the success  
22          of such students in postsecondary education.

23          “(6) STAFFING OF THE NATIONAL DATA CEN-  
24          TER.—In hiring employees of the National Data  
25          Center, the National Data Center shall consider the

1 expertise and experience of prospective employees in  
 2 creating and maintaining high quality national data-  
 3 bases focused on the experiences and outcomes of in-  
 4 dividuals with disabilities.

5 **“SEC. 903. REQUIREMENT FOR SUBMITTING DATA TO THE**  
 6 **NATIONAL DATA CENTER.**

7 “(a) DISABILITY CATEGORIES.—The National Data  
 8 Center, the National Center for Students With Disabil-  
 9 ities, and the National Center for Institutions of Higher  
 10 Education shall adopt the following categories to describe  
 11 data collected, analyzed, and disseminated about students  
 12 with disabilities:

13 “(1) Attention Deficit Hyperactivity Disorder  
 14 (ADHD).

15 “(2) Autism, including Asperger Syndrome.

16 “(3) Blind or visually impaired.

17 “(4) Brain Injury, including acquired brain in-  
 18 jury and traumatic brain injury.

19 “(5) Deaf or hard of hearing.

20 “(6) Deaf-blind.

21 “(7) Intellectual disability.

22 “(8) Learning disability.

23 “(9) Long-term health condition.

24 “(10) Physical or mobility disability.

25 “(11) Psychiatric disability.

1           “(12) Speech or language disability.

2           “(13) Other disability.

3           “(b) DATA TO BE SUBMITTED.—Each institution of  
4 higher education that receives funds under title IV shall  
5 collect and submit the following data to the National Data  
6 Center:

7           “(1) The institution’s disability documentation  
8 requirements.

9           “(2) The support services available at the insti-  
10 tution.

11           “(3) Links to information about institutional fi-  
12 nancial aid.

13           “(4) The institution’s accommodations policies.

14           “(5) The institution’s accessible instructional  
15 materials.

16           “(6) Individual-level, de-identified data describ-  
17 ing services and accommodations provided to stu-  
18 dents with disabilities, as well as the retention and  
19 graduation rates of students with disabilities who  
20 sought disability services and accommodations from  
21 the institution of higher education.

22           “(7) The institution’s annual budget devoted to  
23 providing disability supports, services, and accom-  
24 modations.

1           “(8) Other information relevant to students  
2           with disabilities, as required by the Secretary.

3           “(c) DISAGGREGATION OF DATA.—Institutions of  
4 higher education submitting the data required under sub-  
5 section (b) shall collect, organize, and submit such data  
6 in a way that supports disaggregation by the disability cat-  
7 egories specified in subsection (a).

8           “(d) PUBLIC AVAILABILITY OF DATA.—All data sub-  
9 mitted to the National Data Center by institutions of  
10 higher education in accordance with subsection (b) shall  
11 be made available to the public not later than 1 year after  
12 that data is submitted to the National Data Center.

13           **“PART B—TRANSITION PROGRAMS FOR**  
14 **POSTSECONDARY STUDENTS WITH DISABILITIES**  
15 **“Subpart 1—Inclusive Higher Education for Students**  
16 **With Intellectual Disabilities**

17 **“SEC. 911. PURPOSE; DEFINITIONS.**

18           “(a) PURPOSE.—It is the purpose of this subpart to  
19 promote the successful transition of students with intellec-  
20 tual disabilities into higher education that leads to suc-  
21 cessful employment outcomes in the integrated, competi-  
22 tive workforce.

23           “(b) DEFINITIONS.—In this subpart:

24           “(1) INCLUSIVE HIGHER EDUCATION PROGRAM  
25           FOR STUDENTS WITH INTELLECTUAL DISABIL-

1 ITIES.—The term ‘inclusive higher education pro-  
 2 gram for students with intellectual disabilities’  
 3 means a degree, certificate, or non-degree program  
 4 that—

5 “(A) is offered by an institution of higher  
 6 education;

7 “(B) is designed to support students with  
 8 intellectual disabilities who are seeking to con-  
 9 tinue academic, career and technical, or inde-  
 10 pendent living instruction at an institution of  
 11 higher education in order to prepare for com-  
 12 petitive integrated employment;

13 “(C) includes an advisement component  
 14 and program of study;

15 “(D) requires students with intellectual  
 16 disabilities to participate in work-based training  
 17 or internships with nondisabled individuals; and

18 “(E) requires students with intellectual  
 19 disabilities to participate, on not less than a  
 20 half-time basis, each academic term (as deter-  
 21 mined by the institution), with such participa-  
 22 tion focusing on academic components and oc-  
 23 curring through one or more of the following  
 24 activities:

1                   “(i) Regular enrollment in credit-bear-  
 2                   ing courses with nondisabled students of-  
 3                   fered by the institution.

4                   “(ii) Auditing or participating in  
 5                   courses with nondisabled students offered  
 6                   by the institution for which the student  
 7                   does not receive regular academic credit.

8                   “(iii) Enrollment in noncredit-bearing,  
 9                   nondegree courses with nondisabled stu-  
 10                  dents.

11               “(2) STUDENT WITH AN INTELLECTUAL DIS-  
 12               ABILITY.—The term ‘student with an intellectual  
 13               disability’ means a student—

14                   “(A) with a cognitive impairment, charac-  
 15                   terized by significant limitations in—

16                    “(i) intellectual and cognitive func-  
 17                    tioning; and

18                    “(ii) adaptive behavior as expressed in  
 19                    conceptual, social, and practical adaptive  
 20                    skills; and

21                   “(B) who is currently, or was formerly, eli-  
 22                   gible for a free appropriate public education  
 23                   under the Individuals with Disabilities Edu-  
 24                   cation Act.

1 **“SEC. 912. INCLUSIVE HIGHER EDUCATION PROGRAM FOR**  
2 **STUDENTS WITH INTELLECTUAL DISABIL-**  
3 **ITIES.**

4 “(a) GRANTS AUTHORIZED.—

5 “(1) IN GENERAL.—From amounts appro-  
6 priated to carry out this section, the Secretary shall  
7 annually award grants, on a competitive basis, to in-  
8 stitutions of higher education (or consortia of insti-  
9 tutions of higher education), to enable the institu-  
10 tions or consortia to create or expand high quality,  
11 inclusive higher education programs for students  
12 with intellectual disabilities. The Secretary shall  
13 award grants under this section in a manner that  
14 ensures that new 5-year grants are awarded each  
15 fiscal year.

16 “(2) ADMINISTRATION.—The program under  
17 this section shall be administered by the Office of  
18 Postsecondary Education, in collaboration with the  
19 Office of Special Education and Rehabilitative Serv-  
20 ices.

21 “(3) DURATION OF GRANTS.—A grant under  
22 this section shall be awarded for a period of 5 years.  
23 An institution of higher education (or a consortium)  
24 is only eligible for one 5-year grant under this sec-  
25 tion. A recipient institution or consortium shall sus-  
26 tain the program carried out under this section after

1 the expiration of the grant period using funding  
2 from another source.

3 “(b) APPLICATION.—An institution of higher edu-  
4 cation (or a consortium) desiring a grant under this sec-  
5 tion shall submit an application to the Secretary at such  
6 time, in such manner, and containing such information as  
7 the Secretary may require.

8 “(c) AWARD BASIS.—In awarding grants under this  
9 section, the Secretary shall—

10 “(1) prohibit grantees from the 2010–2014  
11 grant cycle under this section from competing for  
12 the 2014–2018 grant cycle, in order to generate a  
13 larger number of self-sustaining inclusive higher  
14 education programs for students with intellectual  
15 disabilities across the United States;

16 “(2) provide for an equitable geographic dis-  
17 tribution of such grants;

18 “(3) to the greatest extent possible, provide for  
19 an equitable distribution of such grants between 4-  
20 year institutions of higher education and 2-year in-  
21 stitutions of higher education, including community  
22 colleges;

23 “(4) provide grant funds for inclusive higher  
24 education programs for students with intellectual

1 disabilities that will serve areas that are underserved  
2 by programs of this type; and

3 “(5) give preference to applicants that agree to  
4 incorporate into the inclusive higher education pro-  
5 grams for students with intellectual disabilities car-  
6 ried out under the grant, 1 or more of the following  
7 elements:

8 “(A) The formation of a partnership with  
9 any relevant State or local agency serving stu-  
10 dents with intellectual disabilities, such as a vo-  
11 cational rehabilitation agency.

12 “(B) In the case of an institution of higher  
13 education that provides institutionally owned or  
14 operated housing for students attending the in-  
15 stitution, the integration of students with intel-  
16 lectual disabilities into the housing offered to  
17 nondisabled students.

18 “(C) The involvement of students attend-  
19 ing the institution of higher education who are  
20 studying special education, general education,  
21 vocational rehabilitation, assistive technology, or  
22 related fields in the program.

23 “(d) USE OF FUNDS.—An institution of higher edu-  
24 cation (or a consortium) receiving a grant under this sec-  
25 tion shall use the grant funds to establish an inclusive

1 higher education program for students with intellectual  
2 disabilities that—

3 “(1) serves students with intellectual disabil-  
4 ities;

5 “(2) provides individual supports and services  
6 for the academic and social inclusion of students  
7 with intellectual disabilities in academic courses, ex-  
8 tracurricular activities, and other aspects of the in-  
9 stitution of higher education’s regular postsecondary  
10 program;

11 “(3) with respect to the students with intellec-  
12 tual disabilities participating in the program, pro-  
13 vides a focus on—

14 “(A) academic enrichment;

15 “(B) integrated socialization with non-  
16 disabled students;

17 “(C) independent living skills, including  
18 self-advocacy skills; and

19 “(D) integrated work experiences and ca-  
20 reer skills that lead to competitive integrated  
21 employment;

22 “(4) provides integrated person-centered plan-  
23 ning in the development of the course of study for  
24 each student with an intellectual disability partici-  
25 pating in the program;

1           “(5) participates with the inclusive higher edu-  
2           cation programs for students with intellectual dis-  
3           abilities coordinating center established under sec-  
4           tion 913 (referred to in this part as the ‘coordi-  
5           nating center’) in the evaluation of the program, in-  
6           cluding by regularly submitting data on the experi-  
7           ences and outcomes of individual students partici-  
8           pating in the program;

9           “(6) partners with 1 or more local educational  
10          agencies to support students with intellectual disabil-  
11          ities participating in the program who are still eligi-  
12          ble for special education and related services under  
13          the Individuals with Disabilities Education Act, in-  
14          cluding the use of funds available under part B of  
15          such Act to support the participation of such stu-  
16          dents in the program;

17          “(7) plans for the sustainability of the program  
18          after the end of the grant period;

19          “(8) offers an existing meaningful credential to  
20          students with intellectual disabilities upon comple-  
21          tion of the inclusive program, or, if such credentials  
22          are not available, creates a meaningful credential  
23          that aligns with existing industry or discipline ap-  
24          proved credentials to students with intellectual dis-  
25          abilities upon completion of the program; and

1           “(9) provides for the collection and trans-  
2 mission of data in accordance with subsection (e).

3           “(e) DATA COLLECTION AND TRANSITION.—

4           “(1) IN GENERAL.—An institution or consor-  
5 tium receiving a grant under this section shall col-  
6 lect, and transmit to the coordinating center on an  
7 annual basis and for each student who is enrolled in  
8 the program, student-level information related to the  
9 experiences and outcomes of students who partici-  
10 pate in the inclusive higher education program for  
11 students with intellectual disabilities.

12           “(2) LONGITUDINAL DATA.—Each grantee shall  
13 collect longitudinal outcome data from former stu-  
14 dents who participated in the program and transmit  
15 such data to the coordinating center. Such longitu-  
16 dinal data shall be collected for every student each  
17 year for 5 years after the student graduates from,  
18 or otherwise exits, the program.

19           “(3) DATA TO BE COLLECTED.—The program-  
20 level information and data and student-level infor-  
21 mation and data to be collected under this sub-  
22 section shall include—

23           “(A) the number and type of postsec-  
24 ondary education courses taken and completed  
25 by the student;

1                   “(B) academic outcomes;

2                   “(C) competitive, integrated employment  
3 outcomes;

4                   “(D) independent living outcomes; and

5                   “(E) social outcomes.

6           “(f) MATCHING REQUIREMENT.—An institution of  
7 higher education (or consortium) that receives a grant  
8 under this section shall provide matching funds toward the  
9 costs of the inclusive higher education program for stu-  
10 dents with intellectual disabilities carried out under the  
11 grant. Such matching funds may be provided in cash or  
12 in-kind, and shall be in an amount of not less than 25  
13 percent of the amount of such costs.

14           “(g) REPORT.—Not later than 5 years after the date  
15 of the first grant awarded under this section, the Sec-  
16 retary shall prepare and disseminate a report to the au-  
17 thorizing committees and to the public that—

18                   “(1) reviews the activities of the inclusive high-  
19 er education programs for students with intellectual  
20 disabilities funded under this section; and

21                   “(2) provides guidance and recommendations  
22 on how effective programs can be replicated.

23           “(h) RULE OF CONSTRUCTION.—Nothing in this sub-  
24 part shall be construed to reduce or expand—

1           “(1) the obligation of a State or local edu-  
 2           cational agency to provide a free appropriate public  
 3           education, as defined in section 602 of the Individ-  
 4           uals with Disabilities Education Act; or

5           “(2) eligibility requirements under any Federal,  
 6           State, or local disability law, including the Ameri-  
 7           cans with Disabilities Act of 1990 (42 U.S.C. 12101  
 8           et seq.), the Rehabilitation Act of 1973 (29 U.S.C.  
 9           701 et seq.), or the Developmental Disabilities As-  
 10          sistance and Bill of Rights Act of 2000 (42 U.S.C.  
 11          15001 et seq.).

12          “(i) AUTHORIZATION OF APPROPRIATIONS AND RES-  
 13          ERVATION.—

14               “(1) AUTHORIZATION OF APPROPRIATIONS.—  
 15          There are authorized to be appropriated to carry out  
 16          this subpart such sums as may be necessary for fis-  
 17          cal year 2015 and each of the 5 succeeding fiscal  
 18          years.

19               “(2) RESERVATION OF FUNDS.—For any fiscal  
 20          year for which appropriations are made for this sub-  
 21          part, the Secretary shall reserve funds to enter into  
 22          a cooperative agreement to establish the coordi-  
 23          nating center under section 913(b), in an amount  
 24          that is not less than \$1,000,000. Not less than 40  
 25          percent of this sum shall be used for the administra-

1       tion of continued collection of data from inclusive  
 2       higher education programs for students with intellec-  
 3       tual disabilities grantees, and the dissemination ef-  
 4       forts of such grantees, from earlier grant cycles.

5   **“SEC. 913. COORDINATING CENTER FOR THE INCLUSIVE**  
 6               **HIGHER EDUCATION PROGRAMS FOR STU-**  
 7               **DENTS WITH INTELLECTUAL DISABILITIES.**

8       “(a) DEFINITION OF ELIGIBLE ENTITY.—In this  
 9       subsection, the term ‘eligible entity’ means an entity, or  
 10      a partnership of entities, that has demonstrated expertise  
 11      in—

12               “(1) higher education;

13               “(2) the education of students with intellectual  
 14      disabilities;

15               “(3) the development of inclusive higher edu-  
 16      cation programs for students with intellectual dis-  
 17      abilities; and

18               “(4) evaluation and technical assistance.

19       “(b) IN GENERAL.—From amounts appropriated  
 20      under section 912(i)(2), the Secretary shall enter into a  
 21      cooperative agreement with an eligible entity (determined  
 22      on a competitive basis) for the purpose of establishing a  
 23      coordinating center for institutions of higher education  
 24      that offer inclusive higher education programs for stu-  
 25      dents with intellectual disabilities (referred to in this sec-

tion as ‘inclusive higher education programs’). The coordinating center shall carry out the activities described in subsection (e) and shall provide—

“(1) recommendations related to the development of standards for inclusive higher education programs;

“(2) technical assistance for such programs; and

“(3) evaluations for such programs, including systematic collection of data on the experiences and outcomes of individuals with intellectual disabilities.

“(c) ADMINISTRATION.—The program under this section shall be administered by the Office of Postsecondary Education, in collaboration with the Office of Special Education and Rehabilitative Services.

“(d) DURATION.—The Secretary shall enter into a cooperative agreement, as described in subsection (b) for a period of 5 years.

“(e) COORDINATING CENTER ACTIVITIES.—The coordinating center established under subsection (b) shall carry out the following activities:

“(1) Evaluating participant progress by creating and maintaining a database of student-level information and data related to the experiences and outcomes of youth who participate in each inclusive

1 higher education program that receives a grant  
2 under this subpart. The program and student-level  
3 information and data that the coordinating center  
4 will collect and maintain in the database shall in-  
5 clude the information described in section 912(e)(3).

6 “(2) Creating and maintaining a mechanism for  
7 continuing to collect outcome information from stu-  
8 dents who participated in inclusive higher education  
9 programs that were developed in previous grant  
10 award cycles.

11 “(3) Creating and maintaining a mechanism for  
12 collaborating with highly integrated, inclusive higher  
13 education programs from earlier grant cycles, with  
14 the purpose of disseminating and publicizing best  
15 practices for implementing such programs.

16 “(4) Serving as the technical assistance entity  
17 for all inclusive higher education programs for stu-  
18 dents with intellectual disabilities, including by pro-  
19 viding technical assistance regarding the develop-  
20 ment, evaluation, and continuous improvement of  
21 such programs.

22 “(5) Developing an evaluation protocol for in-  
23 clusive higher education programs that includes  
24 qualitative and quantitative methodologies for meas-

1       uring student outcomes and program strengths in  
2       the areas of—

3               “(A) inclusive academics;

4               “(B) socialization;

5               “(C) independent living; and

6               “(D) the achievement of competitive, inte-  
7       grated employment.

8               “(6) Assisting recipients of a grant under this  
9       subpart in efforts to consider how to ensure their  
10      meaningful credentials align with existing approved  
11      credentials and to seek institution of higher edu-  
12      cation approval for any newly developed credentials.

13              “(7) Developing recommendations for the nec-  
14      essary components of such programs, such as—

15               “(A) the development of academic, voca-  
16      tional, social, and independent living skills;

17               “(B) program administration and evalua-  
18      tion;

19               “(C) student eligibility; and

20               “(D) issues regarding the equivalency of a  
21      student’s participation in such programs to se-  
22      mester, trimester, quarter, credit, or clock  
23      hours at an institution of higher education, as  
24      the case may be.

1           “(8) Analyzing possible funding streams for in-  
 2           clusive higher education programs and providing rec-  
 3           ommendations regarding those funding streams.

4           “(9) Developing model memoranda of agree-  
 5           ment for use between or among institutions of high-  
 6           er education and State and local agencies providing  
 7           funding for such programs.

8           “(10) Developing mechanisms for regular com-  
 9           munication, outreach, and dissemination of informa-  
 10          tion about inclusive higher education programs re-  
 11          ceiving a grant under this subpart between or among  
 12          such programs and to families and prospective stu-  
 13          dents who may wish to participate in such programs.

14          “(11) Hosting a meeting of all grant recipients  
 15          not less often than once each year.

16          “(12) Convening a workgroup to—

17               “(A) develop and recommend model cri-  
 18               teria, standards, and components of such pro-  
 19               grams, that are appropriate for the development  
 20               of accreditation standards, that shall include—

21                       “(i) an expert in higher education;

22                       “(ii) an expert in special education;

23                       “(iii) a disability organization that  
 24                       represents students with intellectual dis-  
 25                       abilities;

1 “(iv) a representative from the Na-  
 2 tional Advisory Committee on Institutional  
 3 Quality and Integrity; and

4 “(v) a representative of a regional or  
 5 national accreditation agency or associa-  
 6 tion; and

7 “(B) oversee the coordinating center staff  
 8 in field testing such model criteria, standards,  
 9 and components.

10 “(f) REPORT.—Not later than 2 years after the date  
 11 of enactment of the Higher Education Affordability Act,  
 12 the coordinating center shall report to the Secretary, the  
 13 authorizing committees, and the National Advisory Com-  
 14 mittee on Institutional Quality and Integrity on the rec-  
 15 ommendations of the workgroup described in subsection  
 16 (e)(12).

17 **“Subpart 2—Transition Programs for Students Who**  
 18 **Are Deaf-Blind**

19 **“SEC. 921. PURPOSE; DEFINITIONS.**

20 “(a) PURPOSE.—It is the purpose of this subpart to  
 21 support model demonstration programs that promote the  
 22 successful transition of students who are deaf-blind into  
 23 higher education and employment outcomes in integrated,  
 24 competitive settings at the levels expected given their post-  
 25 secondary education.

1 “(b) DEFINITIONS.—In this subpart:

2 “(1) COMPREHENSIVE TRANSITION AND POST-  
3 SECONDARY PROGRAM FOR STUDENTS WHO ARE  
4 DEAF-BLIND.—The term ‘comprehensive transition  
5 and postsecondary program for students who are  
6 deaf-blind’ means a degree, certificate, or nondegree  
7 program of postsecondary education that—

8 “(A) is offered by an institution of higher  
9 education;

10 “(B) is designed to support students who  
11 are deaf-blind and who are seeking to continue  
12 academic, career and technical, and inde-  
13 pendent living instruction at an institution of  
14 higher education in order to prepare for com-  
15 petitive integrated employment;

16 “(C) includes an advising and curriculum  
17 structure;

18 “(D) requires students who are deaf-blind  
19 to participate in internships or work-based  
20 training in competitive, integrated workplace  
21 settings with nondisabled individuals; and

22 “(E) requires students who are deaf-blind  
23 to participate in the program on not less than  
24 a half-time basis, as determined by the institu-  
25 tion, with such participation focusing on aca-

1           demic components and occurring through 1 or  
2           more of the following activities:

3                   “(i) Regular enrollment in credit-bear-  
4                   ing courses with nondisabled students of-  
5                   fered by the institution.

6                   “(ii) Auditing or participating in  
7                   courses with nondisabled students offered  
8                   by the institution for which the student  
9                   does not receive regular academic credit.

10                  “(iii) Enrollment in noncredit-bearing,  
11                  nondegree courses with nondisabled stu-  
12                  dents.

13                  “(2) INSTITUTION OF HIGHER EDUCATION.—  
14                  The term ‘institution of higher education’ has the  
15                  meaning given the term in section 101(a).

16                  “(3) STUDENT WHO IS DEAF-BLIND.—The term  
17                  ‘student who is deaf-blind’ means a student—

18                   “(A)(i) who has a central visual acuity of  
19                   20/200 or less in the better eye with corrective  
20                   lenses, or a field defect such that the peripheral  
21                   diameter of visual field subtends an angular  
22                   distance no greater than 20 degrees, or a pro-  
23                   gressive visual loss having a prognosis leading  
24                   to one or both these conditions;

1           “(ii) who has a chronic hearing impair-  
 2           ment so severe that most speech cannot be un-  
 3           derstood with optimum amplification, or a pro-  
 4           gressive hearing loss having a prognosis leading  
 5           to this condition; and

6           “(iii) for whom the combination of impair-  
 7           ments described in clauses (i) and (ii) cause ex-  
 8           treme difficulty in attaining independence in  
 9           daily life activities, achieving psychosocial ad-  
 10          justment, or obtaining a vocation; or

11          “(B) who despite the inability to be meas-  
 12          ured accurately for hearing and vision loss due  
 13          to cognitive or behavioral constraints, can be  
 14          determined through functional and performance  
 15          assessments to have severe hearing and visual  
 16          disabilities that cause extreme difficulty in at-  
 17          taining independence in daily life activities,  
 18          achieving psychosocial adjustment, or obtaining  
 19          a vocation.

20 **“SEC. 922. MODEL COMPREHENSIVE TRANSITION AND**  
 21 **POSTSECONDARY PROGRAMS FOR STUDENTS**  
 22 **WHO ARE DEAF-BLIND.**

23          “(a) GRANTS AUTHORIZED.—

24               “(1) IN GENERAL.—From amounts appro-  
 25          priated under section 951 and not reserved under

1 section 923(c), the Secretary shall annually award  
2 grants, on a competitive basis, to institutions of  
3 higher education, or consortia of institutions of high-  
4 er education, to enable the institutions or consortia  
5 to create or expand high quality, inclusive model  
6 comprehensive transition and postsecondary pro-  
7 grams for students who are deaf-blind. The Sec-  
8 retary shall award grants under this section in a  
9 manner that ensures that new 5-year grants are  
10 awarded each fiscal year.

11 “(2) ADMINISTRATION.—The program under  
12 this section shall be administered by the Office of  
13 Postsecondary Education, in collaboration with the  
14 Office of Special Education and Rehabilitative Serv-  
15 ices.

16 “(3) DURATION OF GRANTS.—A grant under  
17 this section shall be awarded for a period of 5 years.  
18 An institution of higher education (or a consortium  
19 of such institutions) is eligible for only one 5-year  
20 grant under this program.

21 “(b) APPLICATION.—An institution of higher edu-  
22 cation (or a consortium of such institutions) desiring a  
23 grant under this section shall submit an application to the  
24 Secretary at such time, in such manner, and containing  
25 such information as the Secretary may require. Such in-

1 formation shall include a demonstration of how the insti-  
2 tution or consortium intends to sustain the program after  
3 the end of the grant period, including an identification of  
4 other sources of funds for the program.

5 “(c) AWARD BASIS.—In awarding grants under this  
6 section, the Secretary shall—

7 “(1) provide for an equitable geographic dis-  
8 tribution of such grants;

9 “(2) provide for an equitable distribution of  
10 such grants between 4-year degree-granting and 2-  
11 year degree-granting institutions of higher edu-  
12 cation;

13 “(3) provide grant funds for model comprehen-  
14 sive transition and postsecondary programs for stu-  
15 dents who are deaf-blind that will serve areas that  
16 are underserved by programs of this type; and

17 “(4) give preference to applications that agree  
18 to incorporate, into the model comprehensive transi-  
19 tion and postsecondary program for students who  
20 are deaf-blind carried out under the grant, 1 or  
21 more of the following elements:

22 “(A) The formation of a partnership with  
23 any relevant agency serving students who are  
24 deaf-blind, such as a vocational rehabilitation  
25 agency.

1           “(B) In the case of an institution of higher  
 2           education that provides institutionally owned or  
 3           operated housing for students attending the in-  
 4           stitution, the integration of students who are  
 5           deaf-blind into the housing offered to non-  
 6           disabled students.

7           “(C) The involvement of students attend-  
 8           ing the institution of higher education who are  
 9           studying special education, general education,  
 10          vocational rehabilitation, assistive technology, or  
 11          related fields in the model program.

12          “(d) USE OF FUNDS.—An institution of higher edu-  
 13          cation (or consortium of such institutions) receiving a  
 14          grant under this section shall use the grant funds to estab-  
 15          lish a model comprehensive transition and postsecondary  
 16          program for students who are deaf-blind that—

17               “(1) provides individual supports and services  
 18               for the academic and social inclusion of students  
 19               who are deaf-blind in academic courses, extra-  
 20               curricular activities, and other aspects of the institu-  
 21               tion of higher education’s regular postsecondary pro-  
 22               gram;

23               “(2) with respect to the students who are deaf-  
 24               blind and who are participating in the model pro-  
 25               gram, provides a focus on—

1                   “(A) academic enrichment;

2                   “(B) integrated socialization with non-  
3 disabled students;

4                   “(C) independent living skills, including  
5 self-advocacy skills; and

6                   “(D) integrated work experiences and ca-  
7 reer skills that lead to competitive integrated  
8 employment;

9                   “(3) provides integrated individual-centered  
10 planning in the development of the course of study  
11 for each student who is deaf-blind participating in  
12 the model program;

13                   “(4) participates with the coordinating center  
14 established under section 923 in the evaluation of  
15 the model program, including regular submission of  
16 data on the experiences and outcomes of individual  
17 students participating in the program;

18                   “(5) partners with 1 or more local educational  
19 agencies to support students who are deaf-blind par-  
20 ticipating in the model program who are still eligible  
21 for special education and related services under the  
22 Individuals with Disabilities Education Act, includ-  
23 ing the use of funds available under part B of such  
24 Act to support the participation of such students in  
25 the model program;

1           “(6) plans for the sustainability of the model  
2           program after the end of the grant period;

3           “(7) creates and offers a meaningful credential  
4           for students who are deaf-blind upon the completion  
5           of the model program; and

6           “(8) provides for the collection and trans-  
7           mission of data in accordance with subsection (e).

8           “(e) DATA COLLECTION.—

9           “(1) IN GENERAL.—An institution of higher  
10          education (or consortium of such institutions) receiv-  
11          ing a grant under this section shall collect and  
12          transmit to the coordinating center established  
13          under section 923, on an annual basis, student in-  
14          formation related to the experiences and outcomes of  
15          each student who participates in the comprehensive  
16          transition and postsecondary program for students  
17          who are deaf-blind.

18          “(2) LONGITUDINAL DATA.—In addition to the  
19          requirements of paragraph (1), each institution of  
20          higher education (or consortium of such institutions)  
21          shall implement a mechanism by which the institu-  
22          tion or consortium will collect longitudinal outcomes  
23          data from former students who participate in the  
24          comprehensive transition and postsecondary program  
25          supported under this section, and transmit that data

1 to the coordinating center established under section  
2 923. Such longitudinal data shall be collected for  
3 every student for the 5 years after the student grad-  
4 uates from, or otherwise exits, the program.

5 “(3) DATA TO BE COLLECTED.—The student  
6 information to be collected and transmitted under  
7 this subsection shall include—

8 “(A) the number and type of postsec-  
9 ondary education courses taken and completed  
10 by the student;

11 “(B) academic outcomes;

12 “(C) competitive, integrated employment  
13 outcomes;

14 “(D) independent living outcomes; and

15 “(E) social outcomes.

16 “(f) MATCHING REQUIREMENT.—An institution of  
17 higher education (or consortium of such institutions) that  
18 receives a grant under this section shall provide matching  
19 funds toward the cost of the model comprehensive transi-  
20 tion and postsecondary program for students who are  
21 deaf-blind carried out under the grant. Such matching  
22 funds may be provided in cash or in-kind, and shall be  
23 in an amount of not less than 25 percent of the amount  
24 of such costs.

1       “(g) REPORT.—Not later than 5 years after the date  
 2 of the first grant awarded under this section, the Sec-  
 3 retary shall prepare and disseminate a report to the au-  
 4 thorizing committees and to the public that—

5               “(1) reviews the activities of the model com-  
 6 prehensive transition and postsecondary programs  
 7 for students who are deaf-blind that receive funds  
 8 under this section; and

9               “(2) provides guidance and recommendations  
 10 on how effective model programs can be replicated.

11       “(h) RULE OF CONSTRUCTION.—Nothing in this sec-  
 12 tion shall be construed to reduce or expand—

13               “(1) the obligation of a State or local edu-  
 14 cational agency to provide a free appropriate public  
 15 education, as defined in section 602 of the Individ-  
 16 uals with Disabilities Education Act; or

17               “(2) eligibility requirements under any Federal,  
 18 State, or local disability law, including the Ameri-  
 19 cans with Disabilities Act of 1990 (42 U.S.C. 12101  
 20 et seq.), the Rehabilitation Act of 1973 (29 U.S.C.  
 21 701 et seq.), or the Developmental Disabilities As-  
 22 sistance and Bill of Rights Act of 2000 (42 U.S.C.  
 23 15001 et seq.).

1 **“SEC. 923. COORDINATING CENTER FOR THE MODEL COM-**  
2 **PREHENSIVE TRANSITION AND POSTSEC-**  
3 **ONDARY PROGRAMS FOR STUDENTS WHO**  
4 **ARE DEAF-BLIND.**

5 “(a) DEFINITION OF ELIGIBLE ENTITY.—In this sec-  
6 tion, the term ‘eligible entity’ means an entity, or a part-  
7 nership of entities, that has demonstrated expertise in—

8 “(1) higher education;

9 “(2) the education of students who are deaf-  
10 blind;

11 “(3) the development of comprehensive transi-  
12 tion and postsecondary programs for students who  
13 are deaf-blind; and

14 “(4) evaluation and technical assistance.

15 “(b) IN GENERAL.—From amounts appropriated to  
16 carry out this section that are reserved under subsection  
17 (c), the Secretary shall enter into a cooperative agreement,  
18 on a competitive basis, with an eligible entity for the pur-  
19 pose of establishing a coordinating center for institutions  
20 of higher education that offer inclusive comprehensive  
21 transition and postsecondary programs for students who  
22 are deaf-blind (referred to in this section as a ‘coordi-  
23 nating center’). The coordinating center shall carry out  
24 the activities described in subsection (f) and shall pro-  
25 vide—

1           “(1) recommendations related to the develop-  
2           ment of standards for such programs;

3           “(2) technical assistance for such programs;  
4           and

5           “(3) evaluations for such programs, including  
6           systematic collection of data on the experiences and  
7           outcomes of individuals who are deaf-blind.

8           “(c) RESERVATION OF FUNDS.—For any fiscal year  
9           for which appropriations are made for this subpart in an  
10          amount greater than \$10,000,000, the Secretary shall re-  
11          serve 4 percent of such funds to carry out this section.  
12          For any fiscal year for which appropriations are made for  
13          this subpart in an amount that is equal to or less than  
14          \$10,000,000, the Secretary shall reserve not less than  
15          \$400,000 to carry out this section. Not less than 40 per-  
16          cent of the amount reserved under this subsection shall  
17          be used for the administration of continued collection of  
18          data and dissemination of best practices, as described in  
19          paragraphs (2) and (3) of subsection (f).

20          “(d) ADMINISTRATION.—The program under this  
21          section shall be administered by the Office of Postsec-  
22          ondary Education, in collaboration with the Office of Spe-  
23          cial Education and Rehabilitative Services.

24          “(e) DURATION.—A cooperative agreement under  
25          this subsection shall be for a period of 5 years.

1       “(f) REQUIREMENTS OF COOPERATIVE AGREE-  
2     MENT.—The coordinating center established under sub-  
3     section (b) shall carry out the following activities:

4           “(1) Evaluating student progress by creating  
5           and maintaining a database of student-level informa-  
6           tion related to the experiences and outcomes of  
7           youth students who participate in each comprehen-  
8           sive transition and postsecondary program for stu-  
9           dents who are deaf-blind. The student-level informa-  
10          tion and data that the coordinating center will col-  
11          lect and maintain in the database shall include the  
12          information described in section 922(e)(3).

13          “(2) Creating and maintaining a mechanism for  
14          continuing to collect outcomes information from stu-  
15          dents participating in comprehensive programs that  
16          were developed in previous cycles of the program.

17          “(3) Creating and maintaining a mechanism for  
18          collaborating with highly integrated comprehensive  
19          programs with the purpose of disseminating and  
20          publicizing best practices for implementing com-  
21          prehensive transition and postsecondary programs  
22          for students who are deaf-blind.

23          “(4) Serving as the technical assistance entity  
24          for all comprehensive transition and postsecondary  
25          programs for students who are deaf-blind, including

1 by providing technical assistance regarding the de-  
 2 velopment, evaluation, and continuous improvement  
 3 of such comprehensive programs.

4 “(5) Developing an evaluation protocol for such  
 5 programs that includes qualitative and quantitative  
 6 methodologies for measuring student outcomes and  
 7 program strengths in the areas of—

8 “(A) academic enrichment;

9 “(B) socialization;

10 “(C) independent living, and

11 “(D) the attainment of competitive or sup-  
 12 ported employment by students who participate  
 13 in the program.

14 “(6) Assisting recipients of grants under this  
 15 subpart in efforts to award a meaningful credential  
 16 to students who are deaf-blind upon the completion  
 17 of a comprehensive program, which credential shall  
 18 take into consideration unique State factors.

19 “(7) Developing recommendations for the nec-  
 20 essary components of such programs, such as—

21 “(A) development of academic, career and  
 22 technical, social, and independent living skills;

23 “(B) program administration and evalua-  
 24 tion;

25 “(C) student eligibility; and

1           “(D) issues regarding the equivalency of a  
2           student’s participation in such programs to se-  
3           mester, trimester, quarter, credit, or clock  
4           hours at an institution of higher education, as  
5           the case may be.

6           “(8) Analyzing possible funding streams for  
7           such programs and providing recommendations re-  
8           garding the funding streams.

9           “(9) Developing model memoranda of agree-  
10          ment for use between or among institutions of high-  
11          er education and State and local agencies providing  
12          funding for such programs.

13          “(10) Developing mechanisms for regular com-  
14          munication, outreach, and dissemination of informa-  
15          tion about comprehensive transition and postsec-  
16          ondary programs for students who are deaf-blind  
17          that receive funds under section 922 between or  
18          among such programs and to families and prospec-  
19          tive students.

20          “(11) Hosting a meeting of all recipients of  
21          grants under section 922 not less often than once  
22          each year.

23          “(12) Convening a workgroup to develop and  
24          recommend model criteria, standards, and compo-  
25          nents of such programs that are appropriate for the

1 development of accreditation standards. The  
 2 workgroup shall include—

3 “(A) an expert in higher education;

4 “(B) an expert in special education;

5 “(C) a disability organization that rep-  
 6 resents students who are deaf-blind;

7 “(D) a representative from the National  
 8 Advisory Committee on Institutional Quality  
 9 and Integrity; and

10 “(E) a representative of a regional or na-  
 11 tional accreditation agency or association.

12 “(g) REPORT.—Not later than 2 years after the date  
 13 of enactment of the Higher Education Affordability Act,  
 14 the coordinating center shall report to the Secretary, the  
 15 authorizing committees, and the National Advisory Com-  
 16 mittee on Institutional Quality and Integrity on the rec-  
 17 ommendations of the workgroup described in subsection  
 18 (f)(12).

19 **“PART C—PROVIDING ACCESSIBLE INSTRUCC-**  
 20 **TIONAL MATERIALS TO STUDENTS WITH DIS-**  
 21 **ABILITIES ON COLLEGE CAMPUSES**

22 **“SEC. 931. GUIDELINES FOR ACCESSIBLE INSTRUCTIONAL**  
 23 **MATERIALS.**

24 “(a) PURPOSE.—The purpose of this section is to au-  
 25 thorize the Architectural and Transportation Barriers

1 Compliance Board (referred to in this section as the ‘Ac-  
 2 cess Board’) to establish guidelines for accessible instruc-  
 3 tional materials that will be used in postsecondary edu-  
 4 cation settings.

5 “(b) IN GENERAL.—Not later than 18 months after  
 6 the date of enactment of Higher Education Affordability  
 7 Act, the Access Board (established pursuant to section  
 8 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792))  
 9 shall establish guidelines for the accessibility of all instruc-  
 10 tional materials for students who are attending institu-  
 11 tions of higher education that receive funds under title IV,  
 12 including electronic instructional materials and related in-  
 13 formation technologies. Such guidelines shall—

14 “(1) include performance criteria to ensure that  
 15 such materials and technologies are accessible to  
 16 students with disabilities, as defined in section 3 of  
 17 the Americans with Disabilities Act of 1990 (42  
 18 U.S.C. 12102); and

19 “(2) if applicable, be consistent with the stand-  
 20 ards for technical and functional performance cri-  
 21 teria issued pursuant to section 508(a)(2)(A)(ii) of  
 22 the Rehabilitation Act of 1973 (29 U.S.C.  
 23 794d(a)(2)(A)(ii)).

24 “(c) HARMONIZATION WITH NATIONAL AND INTER-  
 25 NATIONAL STANDARDS.—The Access Board shall, to the

1 extent practicable, ensure that the guidelines established  
 2 under subsection (b) are consistent with national and  
 3 international accessibility standards for electronic instruc-  
 4 tional materials and related information technologies.

5 “(d) REVIEW AND AMENDMENT.—Not later than 3  
 6 years after the effective date of the guidelines described  
 7 in subsection (b), and every 3 years thereafter, the Access  
 8 Board shall review and, as appropriate, amend such guide-  
 9 lines to reflect technological advances or changes in in-  
 10 structional materials and related information technologies.

11 “(e) SAFE HARBOR PROTECTIONS.—An institution  
 12 of higher education that uses instructional materials that  
 13 comply with the accessibility guidelines described in sub-  
 14 section (b) shall be deemed to be in compliance with the  
 15 non-discrimination provisions in section 504 of the Reha-  
 16 bilitation Act of 1973 (29 U.S.C. 794) and titles II and  
 17 III of the Americans with Disabilities Act of 1990 (42  
 18 U.S.C. 12131 et seq., 42 U.S.C. 12181 et seq.) with re-  
 19 spect to the use of such materials.

20 “(f) NONCOMPLIANT INSTRUCTIONAL MATERIALS.—  
 21 Nothing in this section shall be construed to require an  
 22 institution of higher education to use instructional mate-  
 23 rials that conform to the accessibility guidelines described  
 24 in subsection (b). If an institution of higher education  
 25 chooses not to provide materials that conform to the acces-

1 sibility guidelines described in subsection (b), such institu-  
 2 tion of higher education shall provide an assurance to the  
 3 Secretary that the institution of higher education will pro-  
 4 vide instructional materials in a manner that is equally  
 5 effective, integrated, and timely, and provides for a sub-  
 6 stantially equivalent ease of use, as compared to the man-  
 7 ner in which such materials or technologies are provided  
 8 to non-disabled students.

9 **“SEC. 932. DEMONSTRATION PROGRAM FOR IMPROVED**  
 10 **POSTSECONDARY INSTRUCTIONAL MATE-**  
 11 **RIALS IN SPECIALIZED FORMATS.**

12 “(a) PURPOSE.—It is the purpose of this section to  
 13 support model demonstration programs for the purpose  
 14 of—

15 “(1) encouraging the development of systems to  
 16 improve the quality of postsecondary instructional  
 17 materials in specialized formats;

18 “(2) encouraging the timely delivery of such  
 19 materials to postsecondary students with print dis-  
 20 abilities; and

21 “(3) improving efficiency and reducing duplica-  
 22 tive efforts across multiple institutions of higher  
 23 education relating to the development and delivery of  
 24 such materials.

1       “(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In  
 2 this section, the term ‘eligible partnership’ means a part-  
 3 nership that—

4           “(1) shall include—

5               “(A) an institution of higher education  
 6 with demonstrated expertise in meeting the  
 7 needs of students with print disabilities, includ-  
 8 ing the retention of such students in, and such  
 9 students’ completion of, postsecondary edu-  
 10 cation; and

11              “(B) a public or private entity, other than  
 12 an institution of higher education, with—

13                   “(i) demonstrated expertise in devel-  
 14 oping accessible instructional materials in  
 15 specialized formats for postsecondary stu-  
 16 dents with print disabilities; and

17                   “(ii) the technical development exper-  
 18 tise necessary for the efficient dissemina-  
 19 tion of such materials, including proce-  
 20 dures to protect against copyright infringe-  
 21 ment with respect to the creation, use, and  
 22 distribution of instructional materials in  
 23 specialized formats; and

24           “(2) may include representatives of the pub-  
 25 lishing industry.

1       “(c) PROGRAM AUTHORIZED.—From amounts appro-  
 2       priated to carry out this section, the Secretary shall award  
 3       grants or contracts, on a competitive basis, to not less  
 4       than 1 eligible partnership to enable the eligible partner-  
 5       ship to carry out the activities described in subsection (f)  
 6       and, as applicable, subsection (g).

7       “(d) APPLICATION.—An eligible partnership that de-  
 8       sires a grant or contract under this section shall submit  
 9       an application at such time, in such manner, and in such  
 10      format as the Secretary may prescribe. The application  
 11      shall include information on how the eligible partnership  
 12      will implement activities under subsection (f) and, as ap-  
 13      plicable, subsection (g).

14      “(e) PRIORITY.—In awarding grants or contracts  
 15      under this section, the Secretary shall give priority to any  
 16      applications that include a plan for the development and  
 17      implementation of the procedures and approaches de-  
 18      scribed in paragraphs (2) and (3) of subsection (g).

19      “(f) REQUIRED ACTIVITIES.—An eligible partnership  
 20      that receives a grant or contract under this section shall  
 21      use the grant or contract funds to carry out the following:

22              “(1) Supporting the development and imple-  
 23      mentation of the following:

24                      “(A) Processes and systems to help iden-  
 25      tify, and verify the eligibility of, postsecondary

1 students with print disabilities in need of in-  
2 structional materials in specialized formats.

3 “(B) Procedures and systems to facilitate  
4 and simplify the methods through which eligible  
5 students described in subparagraph (A) may re-  
6 quest accessible instructional materials in spe-  
7 cialized formats, which may include a single  
8 point-of-entry system.

9 “(C) Procedures and systems to coordinate  
10 among institutions of higher education, pub-  
11 lishers of instructional materials, and entities  
12 that produce materials in specialized formats,  
13 to efficiently facilitate—

14 “(i) requests for such materials;

15 “(ii) the responses to such requests;

16 and

17 “(iii) the delivery of such materials.

18 “(D) Delivery systems that will ensure the  
19 timely provision of instructional materials in  
20 specialized formats to eligible students, which  
21 may include electronic file distribution.

22 “(E) Systems to reduce duplicative conver-  
23 sions and improve sharing of the same instruc-  
24 tional materials in specialized formats for mul-

1           tiple eligible students at multiple institutions of  
2           higher education.

3           “(F) Procedures to protect against copy-  
4           right infringement with respect to the develop-  
5           ment, use, and distribution of instructional ma-  
6           terials in specialized formats while maintaining  
7           accessibility for eligible students, which may in-  
8           clude digital technologies such as watermarking,  
9           fingerprinting, and other emerging approaches.

10           “(G) Awareness, outreach, and training ac-  
11           tivities for faculty, staff, and students related to  
12           the acquisition and dissemination of instruc-  
13           tional materials in specialized formats and in-  
14           structional materials utilizing universal design.

15           “(2) Providing recommendations on how effec-  
16           tive procedures and systems described in paragraph  
17           (1) may be disseminated and implemented on a na-  
18           tional basis.

19           “(g) AUTHORIZED APPROACHES.—An eligible part-  
20           nership that receives a grant or contract under this section  
21           may use the grant or contract funds to support the devel-  
22           opment and implementation of the following:

23           “(1) Approaches for the provision of instruc-  
24           tional materials in specialized formats limited to in-  
25           structional materials used in smaller categories of

1 postsecondary courses, such as introductory, first-  
 2 year courses, and second-year courses.

3 “(2) Approaches supporting a unified search for  
 4 instructional materials in specialized formats across  
 5 multiple databases or lists of available materials.

6 “(3) Market-based approaches for making in-  
 7 structional materials in specialized formats directly  
 8 available to eligible students at prices comparable to  
 9 standard instructional materials.

10 “(h) REPORT.—Not later than 3 years after the date  
 11 that the first grant or contract is awarded under this sec-  
 12 tion, the Secretary shall submit to the authorizing commit-  
 13 tees a report that includes—

14 “(1) the number of grants and contracts and  
 15 the amount of funds distributed under this section;

16 “(2) a summary of the purposes for which the  
 17 grants and contracts were provided and an evalua-  
 18 tion of the progress made under such grants and  
 19 contracts;

20 “(3) a summary of the activities implemented  
 21 under subsection (f) and, as applicable, subsection  
 22 (g), including data on the number of postsecondary  
 23 students with print disabilities served and the num-  
 24 ber of instructional material requests executed and  
 25 delivered in specialized formats; and

1           “(4) an evaluation of the effectiveness of pro-  
2           grams funded under this section.

3           “(i) REQUIREMENT FOR PRODUCERS OF INSTRU-  
4           TIONAL MATERIALS.—Producers of instructional mate-  
5           rials for the postsecondary education market that are in-  
6           volved in or affecting interstate commerce, produce such  
7           materials for institutions of higher education that receive  
8           Federal funds, and incorporate synchronized audio and  
9           visual formats (including DVDs, CDs, video, web video,  
10          and similar formats) shall provide closed captions or sub-  
11          titles.

12       **“PART D—COMMISSION ON SERVING AND SUP-**  
13       **PORTING STUDENTS WITH PSYCHIATRIC DIS-**  
14       **ABILITIES IN INSTITUTIONS OF HIGHER**  
15       **EDUCATION**

16       **“SEC. 941. COMMISSION ON SERVING AND SUPPORTING**  
17               **STUDENTS WITH PSYCHIATRIC DISABILITIES**  
18               **IN INSTITUTIONS OF HIGHER EDUCATION.**

19           “(a) ESTABLISHMENT OF ADVISORY COMMISSION ON  
20           SERVING AND SUPPORTING STUDENTS WITH PSY-  
21           CHIATRIC DISABILITIES ON COLLEGE CAMPUSES.—

22           “(1) IN GENERAL.—The Secretary shall estab-  
23           lish a commission to be known as the Advisory Com-  
24           mission on Serving and Supporting Students with  
25           Psychiatric Disabilities in Institutions of Higher

1 Education (referred to in this section as the ‘Com-  
2 mission’).

3 “(2) MEMBERSHIP.—

4 “(A) TOTAL NUMBER OF MEMBERS.—The  
5 Commission shall include not more than 15  
6 members, who shall be appointed by the Sec-  
7 retary in accordance with subparagraphs (B)  
8 and (C).

9 “(B) MEMBERS OF THE COMMISSION.—  
10 The Commission members shall include 1 rep-  
11 resentative from each of the following cat-  
12 egories:

13 “(i) The Office of Postsecondary Edu-  
14 cation of the Department.

15 “(ii) The Office of Special Education  
16 and Rehabilitative Services of the Depart-  
17 ment.

18 “(iii) The Office for Civil Rights of  
19 the Department.

20 “(iv) The National Council on Dis-  
21 ability.

22 “(v) The Association on Higher Edu-  
23 cation and Disability, or a similar organi-  
24 zation, as determined by the Secretary.

1 “(vi) The Protection and Advocacy for  
2 Individuals with Mental Illness program of  
3 the National Disability Rights Network, or  
4 a similar program, as determined by the  
5 Secretary.

6 “(vii) A national organization rep-  
7 resenting postsecondary education students  
8 with psychiatric disabilities.

9 “(C) ADDITIONAL MEMBERS OF THE COM-  
10 MISSION.—The Commission members shall in-  
11 clude 4 representatives from each of the fol-  
12 lowing categories:

13 “(i) Staff from institutions of higher  
14 education with demonstrated experience in  
15 successfully supporting the retention and  
16 graduation of students with psychiatric  
17 disabilities. With respect to the 4 members  
18 appointed under this clause—

19 “(I) 1 member shall be a staff  
20 member of a 2-year degree-granting  
21 institution and 1 member shall be a  
22 staff member from a 4-year degree-  
23 granting institution; and

1                   “(II) the 4 members selected  
2                   shall represent institutions of differing  
3                   sizes.

4                   “(ii) Individuals with psychiatric dis-  
5                   abilities, including not less than 2 cur-  
6                   rently enrolled postsecondary education  
7                   students.

8                   “(D) TIMING.—The Secretary shall estab-  
9                   lish the Commission and appoint the members  
10                  of the Commission not later than 120 days  
11                  after the date of enactment of the Higher Edu-  
12                  cation Affordability Act.

13                  “(3) CHAIRPERSON AND VICE CHAIRPERSON.—  
14                  The Commission shall select a chairperson and vice  
15                  chairperson from among the members of the Com-  
16                  mission.

17                  “(4) MEETINGS.—

18                   “(A) IN GENERAL.—The Commission shall  
19                   meet at the call of the Chairperson.

20                   “(B) FIRST MEETING.—Not later than 60  
21                   days after the appointment of the members of  
22                   the Commission under paragraph (2), the Com-  
23                   mission shall hold the Commission’s first meet-  
24                   ing.

1           “(5) QUORUM.—A majority of the members of  
2           the Commission shall constitute a quorum, but a  
3           lesser number of members may hold hearings.

4           “(b) DUTIES OF THE COMMISSION.—

5           “(1) STUDY.—

6           “(A) IN GENERAL.—The Commission shall  
7           conduct a comprehensive study to—

8                   “(i) assess the barriers and systemic  
9                   issues that may affect, and support- and  
10                  service-delivery solutions that may im-  
11                  prove, the rates of retention and gradua-  
12                  tion for postsecondary students with psy-  
13                  chiatric disabilities; and

14                   “(ii) make recommendations related  
15                  to the development of a comprehensive ap-  
16                  proach to improve the opportunities for  
17                  postsecondary students with psychiatric  
18                  disabilities to receive services and supports  
19                  that optimize their rates of retention and  
20                  graduation.

21           “(B) EXISTING INFORMATION.—To the ex-  
22           tent practicable, in carrying out the study  
23           under this paragraph, the Commission shall  
24           identify and use existing research, recommenda-

1           tions, and information, as of the time of the  
2           study.

3           “(C) RECOMMENDATIONS.—Based on the  
4           findings of the study under subparagraph (A),  
5           the Commission shall develop recommenda-  
6           tions—

7                   “(i) to inform Federal regulations and  
8                   legislation regarding the recruitment, re-  
9                   tention, and support of students with psy-  
10                  chiatric disabilities at institutions of higher  
11                  education; and

12                  “(ii) to identify best practices for  
13                  serving and supporting students with psy-  
14                  chiatric disabilities in postsecondary set-  
15                  tings, and maintaining the privacy protec-  
16                  tions provided under the regulations pro-  
17                  mulgated under section 264(c) of the  
18                  Health Insurance Portability and Account-  
19                  ability Act of 1996 (Public Law 104–191;  
20                  110 Stat. 2033) and section 444 of the  
21                  General Education Provisions Act (com-  
22                  monly referred to as the ‘Family Edu-  
23                  cational Rights and Privacy Act of 1974’).

24           “(2) REPORT.—Not later than 1 year after the  
25           first meeting of the Commission, the Commission

1       shall submit a report to the Secretary and the au-  
 2       thorizing committees describing the findings and  
 3       recommendations of the study conducted under  
 4       paragraph (1).

5           “(3) DISSEMINATION OF INFORMATION.—In  
 6       carrying out the study under paragraph (1), the  
 7       Commission shall disseminate a final report  
 8       through—

9           “(A) the National Technical Assistance  
 10       Centers established under sections 901 and  
 11       902; and

12          “(B) other means, as determined by the  
 13       Commission.

14       “(c) TERMINATION OF THE COMMISSION.—The Com-  
 15       mission shall terminate on the date that is 90 days after  
 16       the date on which the Commission submits the report  
 17       under subsection (b)(2) to the Secretary and the author-  
 18       izing committees.

19       **“PART E—AUTHORIZATION OF APPROPRIATIONS**

20       **“SEC. 951. AUTHORIZATION OF APPROPRIATIONS.**

21       “‘There are authorized to carry out this title such  
 22       sums as may be necessary for fiscal year 2015 and each  
 23       of the 5 succeeding fiscal years.’”.

**TITLE X—AMENDMENTS TO  
OTHER LAWS**

**PART A—TRUTH IN LENDING ACT**

**Subpart 1—Definitions**

**SEC. 1010. DEFINITIONS.**

In this part—

(1) the terms “alternative repayment arrangement”, “billing group”, “postsecondary education loan”, and “student loan servicer” have the meanings given those terms in section 188 of the Truth in Lending Act, as added by section 1016;

(2) the term “appropriate committees of Congress” means—

(A) the Committee on Banking, Housing, and Urban Affairs of the Senate;

(B) the Committee on Health, Education, Labor, and Pensions of the Senate;

(C) the Committee on Financial Services of the House of Representatives; and

(D) the Committee on Education and the Workforce of the House of Representatives;

(3) the term “Bureau” means the Bureau of Consumer Financial Protection; and

1           (4) the term “private education loan” has the  
 2           meaning given that term in section 140(a) of the  
 3           Truth in Lending Act (15 U.S.C. 1650(a)).

4       **Subpart 2—Amendments to Truth in Lending Act**

5       **SEC. 1011. EXEMPTED TRANSACTIONS.**

6           Section 104 of the Truth in Lending Act (15 U.S.C.  
 7   1603) is amended—

8           (1) in the matter preceding paragraph (1), by  
 9           striking “This title” and inserting “(a) IN GEN-  
 10          ERAL.—This title”; and

11          (2) by adding at the end the following:

12          “(b) RULE OF CONSTRUCTION.—Nothing in sub-  
 13          section (a) shall prevent or be construed to prevent the  
 14          provisions of chapter 6 from applying to any postsec-  
 15          ondary education lender, loan holder, or student loan  
 16          servicer (as those terms are defined in section 188).”.

17       **SEC. 1012. MANDATORY CERTIFICATION.**

18          (a) AMENDMENTS.—Section 128(e) of the Truth in  
 19          Lending Act (15 U.S.C. 1638(e)) is amended—

20          (1) by striking paragraph (3) and inserting the  
 21          following:

22          “(3) INSTITUTIONAL CERTIFICATION RE-  
 23          QUIRED.—

24                  “(A) IN GENERAL.—Except as provided in  
 25                  subparagraph (B), before a creditor may issue

any funds with respect to an extension of credit described in this subsection, the creditor shall obtain from the relevant institution of higher education at which such loan is to be used for a student, such institution's certification of—

“(i) the enrollment status of the student;

“(ii) the student's cost of attendance at the institution as determined by the institution under part F of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087kk et seq.); and

“(iii) the difference between—

“(I) such cost of attendance; and

“(II) the student's estimated financial assistance, including financial assistance received under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) if the student pursued such assistance, and other financial assistance known to the institution, as applicable.

“(B) LIMITATION ON EXTENSION OF CREDIT.—A creditor shall not issue funds with respect to an extension of credit described in

1           this subsection in an amount that is greater  
 2           than the amount described in subparagraph  
 3           (A)(iii).

4           “(C) EXCEPTION.—Notwithstanding sub-  
 5           paragraph (A), a creditor may issue funds with  
 6           respect to an extension of credit described in  
 7           this subsection without obtaining from the rel-  
 8           evant institution of higher education such insti-  
 9           tution’s certification if such institution fails to  
 10          provide within 15 business days of the credi-  
 11          tor’s request for such certification—

12                   “(i) the requested certification;

13                   “(ii) a notification of a refusal to cer-  
 14          tify           pursuant           to           section  
 15          487(a)(28)(A)(i)(II) of the Higher Edu-  
 16          cation Act of 1965 (20 U.S.C.  
 17          1094(a)(28)(A)(i)(II)); or

18                   “(iii) notification that the institution  
 19          has received the request for certification  
 20          and will need additional time to comply  
 21          with the certification request.

22           “(D) LOANS DISBURSED WITHOUT CER-  
 23          TIFICATION.—If a creditor issues funds without  
 24          obtaining a certification, as described in sub-  
 25          paragraph (C), such creditor shall report the

1           issuance of such funds in a manner determined  
2           by the Director of the Bureau.”;

3           (2) by redesignating paragraphs (9), (10), and  
4           (11) as paragraphs (10), (11), and (12), respec-  
5           tively;

6           (3) by inserting after paragraph (8) the fol-  
7           lowing:

8           “(9) PROVISION OF INFORMATION.—

9           “(A) PROVISION OF INFORMATION TO STU-  
10          DENTS.—

11           “(i) LOAN STATEMENT.—A creditor  
12           that issues any funds with respect to an  
13           extension of credit described in this sub-  
14           section shall send loan statements, where  
15           such loan is to be used for a student, to  
16           borrowers of such funds not less than once  
17           every 3 months during the time that such  
18           student is enrolled at an institution of  
19           higher education.

20           “(ii) CONTENTS OF LOAN STATE-  
21           MENT.—Each statement described in  
22           clause (i) shall—

23           “(I) report the borrower’s total  
24           remaining principal balance, including

1 accrued but unpaid interest and cap-  
2 italized interest;

3 “(II) report any increases in the  
4 principal balance since the last state-  
5 ment; and

6 “(III) list the current interest  
7 rate for each loan.

8 “(B) NOTIFICATION OF LOANS DISBURSED  
9 WITHOUT CERTIFICATION.—On or before the  
10 date a creditor issues any funds with respect to  
11 an extension of credit described in this sub-  
12 section, the creditor shall notify the relevant in-  
13 stitution of higher education, in writing, of the  
14 amount of the extension of credit and the stu-  
15 dent on whose behalf credit is extended. The  
16 form of such written notification shall be sub-  
17 ject to the regulations of the Bureau of Con-  
18 sumer Financial Protection.

19 “(C) ANNUAL REPORT.—

20 “(i) IN GENERAL.—A creditor that of-  
21 fers to issue funds with respect to an ex-  
22 tension of credit described in this sub-  
23 section shall prepare and submit an annual  
24 report to the Bureau of Consumer Finan-  
25 cial Protection containing the required in-

1           formation about private education loans  
2           described in clause (ii).

3           “(ii) INFORMATION TO BE IN-  
4           CLUDED.—Each annual report required  
5           under clause (i) shall include the following  
6           information:

7                   “(I) The number of borrowers  
8                   who request a private education loan  
9                   who have not exhausted the financial  
10                  assistance available under title IV of  
11                  the Higher Education Act of 1965 (20  
12                  U.S.C. 1070 et seq.).

13                  “(II) The number of borrowers  
14                  who request a private education loan  
15                  above the cost of attendance.

16                  “(III) The number of borrowers  
17                  who request a private education loan  
18                  who have not exhausted their financial  
19                  assistance available under title IV of  
20                  the Higher Education Act of 1965 (20  
21                  U.S.C. 1070 et seq.) who then after  
22                  the institutional certification process  
23                  under section 487(a)(28)(A) of the  
24                  Higher Education Act of 1965 (20  
25                  U.S.C. 1094(a)(28)(A)) is complete,

1           reduce the amount of their private  
2           education loan.

3                   “(IV) The number of borrowers  
4           who request a private education loan  
5           who have not exhausted their financial  
6           assistance available under title IV of  
7           the Higher Education Act of 1965 (20  
8           U.S.C. 1070 et seq.) who then after  
9           the institutional certification process  
10          under section 487(a)(28)(A) of the  
11          Higher Education Act of 1965 (20  
12          U.S.C. 1094(a)(28)(A)) is complete,  
13          do not take out a private education  
14          loan.

15                   “(V) Any other information the  
16          Bureau of Consumer Financial Pro-  
17          tection, in consultation with the Sec-  
18          retary of Education, requires.”; and

19           (4) by adding at the end the following:

20                   “(13) PRIVATE EDUCATION LOAN INFORMATION  
21          IN THE NATIONAL STUDENT LOAN DATA SYSTEM.—

22                   “(A) INFORMATION FROM LENDER.—Each  
23          private educational lender shall submit to the  
24          Director of the Bureau and the Secretary of  
25          Education for inclusion in the National Student

1           Loan Data System established under section  
 2           485B of the Higher Education Act of 1965 (20  
 3           U.S.C. 1092b) such information as may be de-  
 4           termined necessary by the Director and the  
 5           Secretary under subparagraph (B).

6           “(B) PROMULGATION OF REGULATION.—

7           Not later than 1 year after the date of enact-  
 8           ment of the Higher Education Affordability  
 9           Act, the Director, in coordination with the Sec-  
 10          retary of Education, shall promulgate a regula-  
 11          tion regarding the private education loan infor-  
 12          mation required to be submitted under subpara-  
 13          graph (A), including what private education  
 14          loan information shall be required to be sub-  
 15          mitted and the method and format for submis-  
 16          sion.

17          “(14) ADDITIONAL ELECTRONIC DISCLO-  
 18          SURES.—

19          “(A) AVAILABILITY OF AGREEMENTS.—

20                 “(i) IN GENERAL.—Each private edu-  
 21                 cational lender shall establish and maintain  
 22                 an Internet site on which the private edu-  
 23                 cational lender shall post the written  
 24                 agreement between the private educational  
 25                 lender and the borrower for each private

1 education loan account. Each private edu-  
 2 cational lender shall also describe the num-  
 3 ber of private education loans, along with  
 4 the average loan amount at the time of  
 5 disbursement, associated with each private  
 6 education loan of the borrower.

7 “(ii) PROTECTION OF INDIVIDUAL  
 8 BORROWER INFORMATION.—A private edu-  
 9 cational lender may not post individual  
 10 borrower information on the Internet site  
 11 established and maintained under clause  
 12 (i).

13 “(B) PROVISION OF AGREEMENTS TO BU-  
 14 REAU.—

15 “(i) IN GENERAL.—Each private edu-  
 16 cational lender shall provide to the Bureau,  
 17 in electronic format, the private education  
 18 loan agreements that it publishes on the  
 19 Internet site of the private educational  
 20 lender pursuant to subparagraph (A).

21 “(ii) RECORD REPOSITORY.—The Bu-  
 22 reau shall establish and maintain on the  
 23 publicly available Internet site of the Bu-  
 24 reau a central repository of the private  
 25 education loan agreements received by the

1 Bureau pursuant to clause (i), which shall  
2 be easily accessible and retrievable by the  
3 public.

4 “(iii) PROTECTION OF INDIVIDUAL  
5 BORROWER INFORMATION.—The Bureau  
6 may not post individual borrower informa-  
7 tion on the Internet site described in  
8 clause (ii).

9 “(C) EXCEPTION.—This paragraph does  
10 not apply to individually negotiated changes to  
11 contractual terms, including individually modi-  
12 fied workouts or renegotiations of amounts  
13 owed by a borrower under a private educational  
14 loan.

15 “(D) REGULATIONS.—The Bureau may, in  
16 consultation with the other Federal banking  
17 agencies (as that term is defined in section 603  
18 of the Truth in Lending Act (15 U.S.C.  
19 1681a)), issue regulations to implement this  
20 paragraph, including regulations—

21 “(i) specifying the format in which a  
22 private educational lender shall publish pri-  
23 vate education loan agreements on the  
24 Internet site of the private educational  
25 lender; and

“(ii) establishing exceptions to subparagraphs (A) and (B)(i) in any case in which the administrative burden outweighs the benefit of increased transparency, including when a postsecondary education loan product has a de minimis number of consumer account holders.

“(15) PREDISPUTE AGREEMENTS AND WAIVERS.—

“(A) IN GENERAL.—A borrower may not waive any right or remedy relating to a private education loan that is available to the borrower against a private educational lender, postsecondary education lender, loan holder, or student loan servicer (as such terms are defined in section 188) before the dispute as to which the right or remedy relates arises. Any such waiver agreed to before, on, or after the date of enactment of the Higher Education Affordability Act shall not be enforceable and shall have no force or effect.

“(B) PREDISPUTE ARBITRATION AGREEMENTS.—An agreement entered before, on, or after the date of enactment of the Higher Education Affordability Act to arbitrate a dispute

1 relating to a private education loan that had  
2 not arisen at the time the agreement was en-  
3 tered shall not be enforceable and shall have no  
4 force or effect.

5 “(16) DISCHARGE OF PRIVATE EDUCATION  
6 LOANS IN THE EVENT OF DEATH OR DISABILITY OF  
7 THE BORROWER.—Each private education loan shall  
8 include terms that provide that the liability to repay  
9 the loan shall be cancelled—

10 “(A) upon the death of the borrower;

11 “(B) if the borrower becomes permanently  
12 and totally disabled, as determined under para-  
13 graph (1) or (3) of section 437(a) of the Higher  
14 Education Act of 1965 (20 U.S.C. 1087(a))  
15 and the regulations promulgated by the Sec-  
16 retary of Education under that section; and

17 “(C) if the Secretary of Veterans Affairs  
18 or the Secretary of Defense determines that the  
19 borrower is unemployable due to a service-con-  
20 nected condition or disability, in accordance  
21 with the requirements of section 437(a)(2) of  
22 that Act and the regulations promulgated by  
23 the Secretary of Education under that sec-  
24 tion.”.

1       (b) REGULATIONS.—Not later than 1 year after the  
2 date of enactment of this Act, the Director of the Bureau  
3 of Consumer Financial Protection shall issue final regula-  
4 tions implementing paragraphs (3) and (9) of section  
5 128(e) of the Truth in Lending Act (15 U.S.C. 1638(e)),  
6 as amended by subsection (a). Such regulations shall be-  
7 come effective not later than 6 months after their date  
8 of issuance.

9       (c) REPORT ON MANDATORY CERTIFICATION.—Not  
10 later than 2 years after the issuance of the regulations  
11 required under subsection (b), and at any other time de-  
12 termined appropriate by the Director of the Bureau of  
13 Consumer Financial Protection and the Secretary of Edu-  
14 cation jointly, the Director and the Secretary shall jointly  
15 submit to Congress a report on the compliance of institu-  
16 tions of higher education and private educational lenders  
17 with section 128(e)(3) of the Truth in Lending Act (15  
18 U.S.C. 1638(e)), as amended by subsection (a), and sec-  
19 tion 487(a)(28) of the Higher Education Act of 1965 (20  
20 U.S.C. 1094(a)(28)), as amended by section 491(b). Such  
21 report shall be based on the annual reports submitted  
22 under section 128(e)(9) of the Truth in Lending Act, as  
23 amended by subsection (a), and shall include information  
24 about the degree to which specific institutions utilize cer-  
25 tifications in effectively encouraging the exhaustion of

1 Federal student loan eligibility and lowering student pri-  
2 vate education loan debt.

3 **SEC. 1013. CIVIL LIABILITY.**

4 Section 130 of the Truth in Lending Act (15 U.S.C.  
5 1640) is amended—

6 (1) in subsection (a)—

7 (A) in the matter preceding paragraph (1),  
8 by inserting “and any postsecondary education  
9 lender, loan holder, or student loan servicer (as  
10 such terms are defined in section 188) who fails  
11 to comply with any requirement imposed under  
12 chapter 6 with respect to any person” before  
13 “is liable to such person”;

14 (B) in paragraph (2)—

15 (i) in subparagraph (A)—

16 (I) by striking “; or (iv)” and in-  
17 serting “, or (iv)”;

18 (II) by inserting “, or (v) in the  
19 case of a postsecondary education  
20 lender, loan holder, or student loan  
21 servicer (as such terms are defined in  
22 section 188) who fails to comply with  
23 any requirement imposed under chap-  
24 ter 6, not less than \$400 or greater

1                   than \$4,000” before the semicolon;  
2                   and

3                   (ii) in subparagraph (B), by inserting  
4                   “, postsecondary education lender, loan  
5                   holder, or student loan servicer” after  
6                   “creditor” each place it appears; and

7                   (C) in the matter following paragraph  
8                   (4)—

9                   (i) in the first sentence—

10                   (I) by inserting “, postsecondary  
11                   education lender, loan holder, or stu-  
12                   dent loan servicer” after “creditor”  
13                   each place it appears; and

14                   (II) by striking “creditor’s fail-  
15                   ure” and inserting “failure by the  
16                   creditor, postsecondary education  
17                   lender, loan holder, or student loan  
18                   servicer”;

19                   (ii) in the fourth sentence, by insert-  
20                   ing “other than the disclosures required  
21                   under section 128(e)(12),” after “referred  
22                   to in section 128,”; and

23                   (iii) in the fifth sentence, by inserting  
24                   “, postsecondary education lender, loan

1 holder, or student loan servicer” after  
 2 “creditor”;

3 (2) in subsection (c), by striking “creditor or  
 4 assignee” each place it appears and inserting “cred-  
 5 itor, assignee, postsecondary education lender, loan  
 6 holder, or student loan servicer”;

7 (3) in subsection (e), as amended by sections  
 8 1416(b) and 1422 of the Dodd-Frank Wall Street  
 9 Reform and Consumer Protection Act (Public Law  
 10 111–203)—

11 (A) in the second sentence, by inserting  
 12 “or chapter 6” after “section 129, 129B, or  
 13 129C”; and

14 (B) in the fourth sentence, by inserting  
 15 “or chapter 6” after “or 129H”; and

16 (4) in subsection (h)—

17 (A) by striking “creditor or assignee” and  
 18 inserting “creditor, assignee, postsecondary  
 19 education lender, loan holder, or student loan  
 20 servicer”; and

21 (B) by striking “creditor’s or assignee’s li-  
 22 ability” and inserting “liability of the creditor,  
 23 assignee, postsecondary education lender, loan  
 24 holder, or student loan servicer”.

1 **SEC. 1014. DEFINITION OF PRIVATE EDUCATION LOAN.**

2 Section 140(a)(7)(A) of the Truth in Lending Act  
3 (15 U.S.C. 1650(a)(7)(A)) is amended—

4 (1) in clause (i), by striking “and” after the  
5 semicolon;

6 (2) by redesignating clause (ii) as clause (iii);

7 and

8 (3) by adding after clause (i) the following:

9 “(ii) is not made, insured, or guaran-  
10 teed under title VII or title VIII of the  
11 Public Health Service Act (42 U.S.C. 292  
12 et seq. and 296 et seq.); and”.

13 **SEC. 1015. REVENUE SHARING AND DISCLOSURE OF AFFILI-**  
14 **ATION.**

15 Chapter 2 of title I of the Truth in Lending Act (15  
16 U.S.C. 1631 et seq.) is amended by adding at the end  
17 the following:

18 **“SEC. 140B. PREVENTING UNFAIR AND DECEPTIVE MAR-**  
19 **KETING OF CONSUMER FINANCIAL PROD-**  
20 **UCTS AND SERVICES TO STUDENTS OF INSTI-**  
21 **TUTIONS OF HIGHER EDUCATION.**

22 “(a) DEFINITIONS.—In this section:

23 “(1) AFFILIATE.—The term ‘affiliate’ means  
24 any person that controls, is controlled by, or is  
25 under common control with another person.

26 “(2) AFFILIATED.—

1           “(A) IN GENERAL.—The term ‘affiliated’,  
2           when used with respect to a consumer financial  
3           product or service and an institution of higher  
4           education, means an association between such  
5           institution and product or service resulting  
6           from—

7                   “(i) the name, emblem, mascot, or  
8                   logo of the institution being used with re-  
9                   spect to such product or service; or

10                   “(ii) some other word, picture, or  
11                   symbol readily identified with the institu-  
12                   tion in the marketing of the consumer fi-  
13                   nancial product or service in any way that  
14                   implies that the institution endorses the  
15                   consumer financial product or service.

16           “(B) RULE OF CONSTRUCTION.—Nothing  
17           in subparagraph (A) shall be construed to deem  
18           an association between an institution of higher  
19           education and a consumer financial product or  
20           service to be affiliated if such association is  
21           solely based on an advertisement by a financial  
22           institution that is delivered to a wide and gen-  
23           eral audience consisting of more than enrolled  
24           students at the institution of higher education.

1           “(3) CONSUMER FINANCIAL PRODUCT OR SERV-  
2           ICE.—The term ‘consumer financial product or serv-  
3           ice’ has the meaning given the term in section 1002  
4           of the Consumer Financial Protection Act of 2010  
5           (12 U.S.C. 5481).

6           “(4) FINANCIAL INSTITUTION.—The term ‘fi-  
7           nancial institution’ means—

8                   “(A) any person that engages in offering  
9                   or providing a consumer financial product or  
10                  service; and

11                  “(B) any affiliate of such person described  
12                  in subparagraph (A) if such affiliate acts as a  
13                  service provider to such person.

14           “(5) INSTITUTION OF HIGHER EDUCATION.—  
15           The term ‘institution of higher education’ has the  
16           meaning given that term in section 102 of the High-  
17           er Education Act of 1965 (20 U.S.C. 1002).

18           “(6) PERSON.—The term ‘person’ means an in-  
19           dividual, partnership, company, corporation, associa-  
20           tion (incorporated or unincorporated), trust, estate,  
21           cooperative organization, or other entity.

22           “(7) REVENUE-SHARING ARRANGEMENT.—The  
23           term ‘revenue-sharing arrangement’—

1           “(A) means an arrangement between an  
2 institution of higher education and a financial  
3 institution under which—

4           “(i) a financial institution provides or  
5 issues a consumer financial product or  
6 service to college students attending the in-  
7 stitution of higher education;

8           “(ii) the institution of higher edu-  
9 cation recommends, promotes, sponsors, or  
10 otherwise endorses the financial institution,  
11 or the consumer financial products or serv-  
12 ices offered by the financial institution;  
13 and

14           “(iii) the financial institution pays a  
15 fee or provides other material benefits, in-  
16 cluding revenue or profit sharing, to the  
17 institution of higher education, or to an of-  
18 ficer, employee, or agent of the institution  
19 of higher education, in connection with the  
20 consumer financial products and services  
21 provided to college students attending the  
22 institution of higher education; and

23           “(B) does not include an arrangement  
24 solely based on a financial institution paying a  
25 fair market price to an institution of higher

1 education for the institution of higher education  
2 to advertise or market the financial institution  
3 to the general public.

4 “(8) SERVICE PROVIDER.—The term ‘service  
5 provider’—

6 “(A) means any person that provides a  
7 material service to another person in connection  
8 with the offering or provision by such other per-  
9 son of a consumer financial product or service,  
10 including a person that—

11 “(i) participates in designing, oper-  
12 ating, or maintaining the consumer finan-  
13 cial product or service; or

14 “(ii) processes transactions relating to  
15 the consumer financial product or service  
16 (other than unknowingly or incidentally  
17 transmitting or processing financial data in  
18 a manner that such data is undifferen-  
19 tiated from other types of data of the same  
20 form as the person transmits or processes);  
21 and

22 “(B) does not include a person solely by  
23 virtue of such person offering or providing to  
24 another person—

1 “(i) a support service of a type pro-  
 2 vided to businesses generally or a similar  
 3 ministerial service; or

4 “(ii) time or space for an advertise-  
 5 ment for a consumer financial product or  
 6 service through print, newspaper, or elec-  
 7 tronic media.

8 “(b) DISCLOSURE OF AFFILIATION.—

9 “(1) REPORTS BY FINANCIAL INSTITUTIONS.—

10 “(A) IN GENERAL.—Not later than 180  
 11 days after the date of enactment of the Higher  
 12 Education Affordability Act, and annually  
 13 thereafter, each financial institution shall sub-  
 14 mit a report to the Bureau containing the  
 15 terms and conditions of all business, marketing,  
 16 and promotional agreements that the financial  
 17 institution has with any institution of higher  
 18 education, or an alumni organization or founda-  
 19 tion that is an affiliate of or related to an insti-  
 20 tution of higher education, relating to any con-  
 21 sumer financial product or service offered to  
 22 college students at institutions of higher edu-  
 23 cation.

1           “(B) DETAILS OF REPORT.—The informa-  
2           tion required to be reported under subpara-  
3           graph (A) includes—

4                   “(i) any memorandum of under-  
5                   standing between or among the financial  
6                   institution and an institution of higher  
7                   education, alumni association, or founda-  
8                   tion that directly or indirectly relates to  
9                   any aspect of an agreement referred to in  
10                  subparagraph (A) or controls or directs  
11                  any obligations or distribution of benefits  
12                  between or among the entities; and

13                  “(ii) the number and dollar amount  
14                  outstanding of consumer financial products  
15                  or services accounts covered by any such  
16                  agreement that were originated during the  
17                  period covered by the report, and the total  
18                  number and dollar amount of consumer fi-  
19                  nancial products or services accounts cov-  
20                  ered by the agreement that were out-  
21                  standing at the end of such period.

22           “(C) AGGREGATION BY INSTITUTION.—  
23           The information required to be reported under  
24           subparagraph (A) shall be aggregated with re-  
25           spect to each institution of higher education or

1 alumni organization or foundation that is an af-  
2 filiate of or related to the institution of higher  
3 education.

4 “(2) REPORTS BY BUREAU.—The Bureau shall  
5 submit to Congress, and make available to the pub-  
6 lic, an annual report that lists the information sub-  
7 mitted to the Bureau under paragraph (1).

8 “(3) ELECTRONIC DISCLOSURES.—

9 “(A) POSTING AGREEMENTS.—Each finan-  
10 cial institution shall establish and maintain an  
11 Internet site on which the financial institution  
12 shall post the written agreement between the fi-  
13 nancial institution and the institution of higher  
14 education for each affiliated consumer financial  
15 product or service.

16 “(B) FINANCIAL INSTITUTION TO PROVIDE  
17 CONTRACTS TO THE BUREAU.—Each financial  
18 institution shall provide to the Bureau, in elec-  
19 tronic format, the written agreements that it  
20 publishes on its Internet site pursuant to this  
21 paragraph.

22 “(C) RECORD REPOSITORY.—The Bureau  
23 shall establish and maintain on its publicly  
24 available Internet site a central repository of  
25 the agreements received from financial institu-

1           tions pursuant to this paragraph, and such  
2           agreements shall be easily accessible and re-  
3           trievable by the public.

4           “(D) EXCEPTION.—This paragraph shall  
5           not apply to individually negotiated changes to  
6           contractual terms, such as individually modified  
7           workouts or renegotiations of amounts owed by  
8           an institution of higher education.

9           “(c) PROHIBITION OF REVENUE-SHARING ARRANGE-  
10          MENT.—A financial institution that offers a consumer fi-  
11          nancial product or service that is affiliated with an institu-  
12          tion of higher education may not enter into a revenue-  
13          sharing arrangement with the institution of higher edu-  
14          cation.

15          “(d) RULE OF CONSTRUCTION.—Nothing in this sec-  
16          tion shall be construed to prohibit a financial institution  
17          from establishing a consumer product or service affiliated  
18          with an institution of higher education if—

19                 “(1) the consumer product or service will—

20                         “(A) assist college students in reducing  
21                         costs or fees associated with the use of con-  
22                         sumer financial products or services;

23                         “(B) increase consumer choice; and

24                         “(C) enhance consumer protections; and

1           “(2) the financial institution is in compliance  
2           with the requirements of this Act.”.

3   **SEC. 1016. IMPROVED CONSUMER PROTECTIONS FOR STU-**  
4                           **DENT LOAN SERVICING.**

5           (a) IN GENERAL.—The Truth in Lending Act (15  
6 U.S.C. 1601 et seq.) is amended by adding at the end  
7 the following new chapter:

8                           **“CHAPTER 6—POSTSECONDARY**  
9                                   **EDUCATION LOANS**

“Sec.

“188. Definitions.

“189. Servicing of postsecondary education loans.

“190. Payments and fees.

“191. Authority of Bureau.

“192. State laws unaffected; inconsistent Federal and State provisions.

10   **“§ 188. Definitions**

11           “In this chapter:

12                       “(1) ALTERNATIVE REPAYMENT ARRANGE-  
13           MENT.—The term ‘alternative repayment arrange-  
14           ment’ means an agreed upon arrangement between  
15           a loan holder (or, for a Federal Direct Loan or a  
16           Federal Perkins Loan, the Secretary of Education or  
17           the institution of higher education that made such  
18           loan, respectively) or student loan servicer and a  
19           borrower—

20                       “(A) that is different than the terms under  
21                       an existing postsecondary education loan; and

1           “(B) pursuant to which remittance of a  
2           monthly payment—

3           “(i) satisfies the terms of the postsec-  
4           ondary education loan; or

5           “(ii) is not required for a period of 1  
6           or more months in order to satisfy the  
7           terms of the postsecondary education loan.

8           “(2) BILLING GROUP.—The term ‘billing group’  
9           means a postsecondary education loan account  
10          that—

11          “(A) is serviced by a student loan servicer;  
12          and

13          “(B) includes 2 or more postsecondary  
14          education loans that are in repayment status.

15          “(3) BUREAU.—The term ‘Bureau’ has the  
16          meaning given that term in section 103.

17          “(4) EFFECTIVE DATE OF TRANSFER.—The  
18          term ‘effective date of transfer’ means the date on  
19          which the first payment is due to a transferee  
20          servicer from a borrower under a postsecondary edu-  
21          cation loan.

22          “(5) FEDERAL DIRECT LOAN.—The term ‘Fed-  
23          eral Direct Loan’ means a loan made under part D  
24          of title IV of the Higher Education Act of 1965 (20  
25          U.S.C. 1087a et seq.).

1           “(6) FEDERAL PERKINS LOAN.—The term  
2       ‘Federal Perkins Loan’ means a loan made under  
3       part E of title IV of the Higher Education Act of  
4       1965 (20 U.S.C. 1087aa et seq.).

5           “(7) INSTITUTION OF HIGHER EDUCATION.—  
6       The term ‘institution of higher education’ has the  
7       meaning given that term in section 102 of the High-  
8       er Education Act of 1965 (20 U.S.C. 1002).

9           “(8) LATE FEE.—The term ‘late fee’ means a  
10      late fee, penalty, or adjustment to principal, imposed  
11      because of a late payment or delinquency by the bor-  
12      rower under a postsecondary education loan.

13          “(9) LOAN HOLDER.—The term ‘loan holder’  
14      means a person who owns the title to or promissory  
15      note for a postsecondary education loan (except for  
16      a Federal Direct Loan or a Federal Perkins Loan).

17          “(10) OPEN END CREDIT PLAN.—The term  
18      ‘open end credit plan’ has the meaning given that  
19      term in section 103.

20          “(11) POSTSECONDARY EDUCATION EX-  
21      PENSE.—The term ‘postsecondary education ex-  
22      pense’ means any expense that is included as part  
23      of the cost of attendance (as that term is defined in  
24      section 472 of the Higher Education Act of 1965  
25      (20 U.S.C. 1087ll)) of a student.

1 “(12) POSTSECONDARY EDUCATION LENDER.—

2 The term ‘postsecondary education lender’—

3 “(A) means—

4 “(i) a financial institution, as defined  
5 in section 3 of the Federal Deposit Insur-  
6 ance Act (12 U.S.C. 1813) that solicits,  
7 makes, or extends postsecondary education  
8 loans;

9 “(ii) a Federal credit union, as de-  
10 fined in section 101 of the Federal Credit  
11 Union Act (12 U.S.C. 1752) that solicits,  
12 makes, or extends postsecondary education  
13 loans; and

14 “(iii) any other person engaged in the  
15 business of soliciting, making, or extending  
16 postsecondary education loans; and

17 “(B) does not include—

18 “(i) the Secretary of Education; or

19 “(ii) an institution of higher education  
20 with respect to any Federal Perkins Loan  
21 made by the institution.

22 “(13) POSTSECONDARY EDUCATION LOAN.—

23 The term ‘postsecondary education loan’—

24 “(A) means a loan that is—

1           “(i) made, insured, or guaranteed  
 2           under part B, D, or E of title IV of the  
 3           Higher Education Act of 1965 (20 U.S.C.  
 4           1071 et seq., 1087a et seq., 1087aa et  
 5           seq.); or

6           “(ii) issued or made by a postsec-  
 7           ondary education lender and is—

8                   “(I) extended to a borrower with  
 9                   the expectation that the amounts ex-  
 10                  tended will be used in whole or in part  
 11                  to pay postsecondary education ex-  
 12                  penses; or

13                  “(II) extended for the purpose of  
 14                  refinancing or consolidating 1 or more  
 15                  loans described in subclause (I) or  
 16                  clause (i);

17           “(B) includes a private education loan (as  
 18           defined in section 140(a)); and

19           “(C) does not include a loan—

20                   “(i) made under an open-end credit  
 21                  plan; or

22                   “(ii) that is secured by real property.

23           “(14) QUALIFIED WRITTEN REQUEST.—

24                   “(A) IN GENERAL.—Subject to subpara-  
 25                  graph (B), the term ‘qualified written request’

means a written correspondence of a borrower  
 (other than notice on a payment medium supplied by the student loan servicer) transmitted by mail, facsimile, or electronically through an email address or website designated by the student loan servicer to receive communications from borrowers that—

“(i) includes, or otherwise enables the student loan servicer to identify, the name and account of the borrower; and

“(ii) includes, to the extent applicable—

“(I) sufficient detail regarding the information sought by the borrower; or

“(II) a statement of the reasons for the belief of the borrower that there is an error regarding the account of the borrower.

“(B) CORRESPONDENCE DELIVERED TO OTHER ADDRESSES.—

“(i) IN GENERAL.—A written correspondence of a borrower is a qualified written request if the written correspondence—

1                   “(I) meets the requirements  
2                   under clauses (i) and (ii) of subpara-  
3                   graph (A); and

4                   “(II) is transmitted to and re-  
5                   ceived by a student loan servicer at a  
6                   mailing address, facsimile number,  
7                   email address, or website address  
8                   other than the address or number des-  
9                   ignated by that student loan servicer  
10                  to receive communications from bor-  
11                  rowers.

12                 “(ii) DUTY TO TRANSFER.—A student  
13                 loan servicer shall, within a reasonable pe-  
14                 riod of time, transfer a written correspond-  
15                 ence of a borrower received by the student  
16                 loan servicer at a mailing address, fac-  
17                 simile number, email address, or website  
18                 address other than the address or number  
19                 designated by that student loan servicer to  
20                 receive communications from borrowers to  
21                 the correct address or appropriate office or  
22                 other unit of the student loan servicer.

23                 “(iii) DATE OF RECEIPT.—A written  
24                 correspondence of a borrower transferred  
25                 in accordance with clause (ii) shall be

1           deemed to be received by the student loan  
2           servicer on the date on which the written  
3           correspondence is transferred to the cor-  
4           rect address or appropriate office or other  
5           unit of the student loan servicer.

6           “(15) STUDENT LOAN SERVICER.—The term  
7           ‘student loan servicer’—

8           “(A) means a person who performs student  
9           loan servicing;

10          “(B) includes a person performing student  
11          loan servicing for a postsecondary education  
12          loan on behalf of an institution of higher edu-  
13          cation or the Secretary of Education under a  
14          contract or other agreement;

15          “(C) does not include the Secretary of  
16          Education to the extent the Secretary directly  
17          performs student loan servicing for a postsec-  
18          ondary education loan; and

19          “(D) does not include an institution of  
20          higher education, to the extent that the institu-  
21          tion directly performs student loan servicing for  
22          a Federal Perkins Loan made by the institu-  
23          tion.

1           “(16) STUDENT LOAN SERVICING.—The term  
2           ‘student loan servicing’ includes any of the following  
3           activities:

4                   “(A) Receiving any scheduled periodic pay-  
5                   ments from a borrower under a postsecondary  
6                   education loan (or notification of such pay-  
7                   ments).

8                   “(B) Applying payments described in sub-  
9                   paragraph (A) to an account of the borrower  
10                  pursuant to the terms of the postsecondary edu-  
11                  cation loan or of the contract governing the  
12                  servicing of the postsecondary education loan.

13                  “(C) During a period in which no payment  
14                  is required on the postsecondary education  
15                  loan—

16                          “(i) maintaining account records for  
17                          the postsecondary education loan; and

18                          “(ii) communicating with the borrower  
19                          on behalf of the loan holder or, with re-  
20                          spect to a Federal Direct Loan or Federal  
21                          Perkins Loan, the Secretary of Education  
22                          or the institution of higher education that  
23                          made the loan, respectively.

24                  “(D) Interacting with a borrower to facili-  
25                  tate the activities described in subparagraphs

1 (A), (B), and (C), including activities to help  
 2 prevent default by the borrower of the obliga-  
 3 tions arising from the postsecondary education  
 4 loan.

5 “(17) TRANSFER OF SERVICING.—The term  
 6 ‘transfer of servicing’ means the assignment, sale, or  
 7 transfer of any student loan servicing of a postsec-  
 8 ondary education loan from a transferor servicer to  
 9 a transferee servicer.

10 “(18) TRANSFeree SERVICER.—The term  
 11 ‘transferee servicer’ means the person to whom any  
 12 student loan servicing of a postsecondary education  
 13 loan is assigned, sold, or transferred.

14 “(19) TRANSFEROR SERVICER.—The term  
 15 ‘transferor servicer’ means the person who assigns,  
 16 sells, or transfers any student loan servicing of a  
 17 postsecondary education loan to another person.

18 **“§ 189. Servicing of postsecondary education loans**

19 “(a) STUDENT LOAN SERVICER REQUIREMENTS.—  
 20 A student loan servicer may not—

21 “(1) charge a fee for responding to a qualified  
 22 written request under this chapter;

23 “(2) fail to take timely action to respond to a  
 24 qualified written request from a borrower to correct

1 an error relating to an allocation of payment or the  
2 payoff amount of the postsecondary education loan;

3 “(3) fail to take reasonable steps to avail the  
4 borrower of all possible alternative repayment ar-  
5 rangements to avoid default;

6 “(4) fail to perform the obligations required  
7 under section 493C(d) of the Higher Education Act  
8 of 1965 (20 U.S.C. 1098e(d));

9 “(5) fail to respond within 10 business days to  
10 a request from a borrower to provide the name, ad-  
11 dress, and other relevant contact information of the  
12 loan holder of the borrower’s postsecondary edu-  
13 cation loan or, for a Federal Direct Loan or a Fed-  
14 eral Perkins Loan, the Secretary of Education or the  
15 institution of higher education who made the loan,  
16 respectively;

17 “(6) fail to comply with—

18 “(A) any applicable requirement of the  
19 Servicemembers Civil Relief Act (50 U.S.C.  
20 App. 501 et seq.); or

21 “(B) in the case of a postsecondary edu-  
22 cation loan made, issued, or guaranteed under  
23 part B, D, or E of title IV of the Higher Edu-  
24 cation Act of 1965 (20 U.S.C. 1070 et seq.),  
25 part A of title VII of the Public Health Service

1 Act (42 U.S.C. 292 et seq.), or part E of title  
 2 VIII of such Act (42 U.S.C. 297a et seq.), any  
 3 applicable requirement of the Act authorizing  
 4 the postsecondary education loan;

5 “(7) fail to comply with any other obligation  
 6 that the Bureau, by regulation, has determined to be  
 7 appropriate to carry out the consumer protection  
 8 purposes of this chapter; or

9 “(8) fail to perform other standard servicer’s  
 10 duties.

11 “(b) BORROWER INQUIRIES.—

12 “(1) DUTY OF STUDENT LOAN SERVICERS TO  
 13 RESPOND TO BORROWER INQUIRIES.—

14 “(A) NOTICE OF RECEIPT OF REQUEST.—

15 If a borrower under a postsecondary education  
 16 loan submits a qualified written request to the  
 17 student loan servicer for information relating to  
 18 the student loan servicing of the postsecondary  
 19 education loan, the student loan servicer shall  
 20 provide a written response acknowledging re-  
 21 ceipt of the qualified written request within 5  
 22 business days unless any action requested by  
 23 the borrower is taken within such period.

24 “(B) ACTION WITH RESPECT TO IN-  
 25 QUIRY.—Not later than 30 business days after

1 the receipt from any borrower of any qualified  
2 written request under subparagraph (A) and, if  
3 applicable, before taking any action with respect  
4 to the qualified written request of the borrower,  
5 the student loan servicer shall—

6 “(i) make appropriate corrections in  
7 the account of the borrower, including the  
8 crediting of any late fees, and transmit to  
9 the borrower a written notification of such  
10 correction (which shall include the name  
11 and toll-free or collect-call telephone num-  
12 ber of a representative of the student loan  
13 servicer who can provide assistance to the  
14 borrower);

15 “(ii) after conducting an investigation,  
16 provide the borrower with a written expla-  
17 nation or clarification that includes—

18 “(I) to the extent applicable, a  
19 statement of the reasons for which the  
20 student loan servicer believes the ac-  
21 count of the borrower is correct as de-  
22 termined by the student loan servicer;  
23 and

24 “(II) the name and toll-free or  
25 collect-call telephone number of an in-

1           dividual employed by, or the office or  
 2           department of, the student loan  
 3           servicer who can provide assistance to  
 4           the borrower; or

5           “(iii) after conducting an investiga-  
 6           tion, provide the borrower with a written  
 7           explanation or clarification that includes—

8                   “(I) information requested by the  
 9                   borrower or an explanation of why the  
 10                  information requested is unavailable  
 11                  or cannot be obtained by the student  
 12                  loan servicer; and

13                   “(II) the name and toll-free or  
 14                   collect-call telephone number of an in-  
 15                   dividual employed by, or the office or  
 16                   department of, the student loan  
 17                   servicer who can provide assistance to  
 18                   the borrower.

19           “(C) LIMITED EXTENSION OF RESPONSE  
 20           TIME.—

21                   “(i) IN GENERAL.—There may be 1  
 22                   extension of the 30-day period described in  
 23                   subparagraph (B) of not more than 15  
 24                   days if, before the end of such 30-day pe-  
 25                   riod, the student loan servicer notifies the

1                   borrower of the extension and the reasons  
2                   for the delay in responding.

3                   “(ii) REPORTS TO BUREAU.—Each  
4                   student loan servicer shall, on an annual  
5                   basis, report to the Bureau the aggregate  
6                   number of extensions sought by the stu-  
7                   dent loan servicer under clause (i).

8                   “(2) PROTECTION OF CREDIT INFORMATION.—  
9                   During the 60-day period beginning on the date on  
10                  which a student loan servicer receives a qualified  
11                  written request from a borrower relating to a dis-  
12                  pute regarding payments by the borrower, a student  
13                  loan servicer may not provide negative credit infor-  
14                  mation to any consumer reporting agency (as de-  
15                  fined in section 603 of the Truth in Lending Act (15  
16                  U.S.C. 1681a)) relating to the subject of the quali-  
17                  fied written request or to such period, including any  
18                  information relating to a late payment or payment  
19                  owed by the borrower on the borrower’s postsec-  
20                  ondary education loan.

21                  “(3) SINGLE POINT OF CONTACT FOR CERTAIN  
22                  BORROWERS.—A student loan servicer shall des-  
23                  ignate an office or other unit of the student loan  
24                  servicer to act as a point of contact regarding post-  
25                  secondary education loans for—

1           “(A) a borrower who is not less than 60  
2           days delinquent under the postsecondary edu-  
3           cation loan;

4           “(B) a borrower who seeks information re-  
5           garding, seeks to enter an agreement for, or  
6           seeks to resolve an issue under a repayment op-  
7           tion that requires subsequent submission of  
8           supporting documentation; and

9           “(C) a borrower under a private education  
10          loan (as defined in section 140) who is seeking  
11          to modify the terms of the repayment of the  
12          postsecondary education loan because of hard-  
13          ship.

14          “(c) LIAISON FOR MEMBERS OF THE ARMED FORCES  
15          AND VETERANS.—

16               “(1) DEFINITION.—In this subsection, the term  
17          ‘veteran’ has the meaning given that term in section  
18          101 of title 38, United States Code.

19               “(2) DESIGNATION.—A student loan servicer  
20          shall designate 1 or more employees to act as a liai-  
21          son for members of the Armed Forces, veterans, and  
22          spouses and dependents of a member of the Armed  
23          Forces or a veteran, who shall be—

24                       “(A) responsible for answering inquiries  
25          relating to postsecondary education loans from

1 members of the Armed Forces, veterans, and  
 2 spouses and dependents of a member of the  
 3 Armed Forces or a veteran; and

4 “(B) specially trained on the benefits avail-  
 5 able to members of the Armed Forces and vet-  
 6 erans under the Servicemembers Civil Relief  
 7 Act (50 U.S.C. App. 501 et seq.) and other  
 8 Federal and State laws relating to postsec-  
 9 ondary education loans.

10 “(3) TOLL FREE NUMBER.—A student loan  
 11 servicer shall establish and maintain a toll-free tele-  
 12 phone number that—

13 “(A) may be used by a member of the  
 14 Armed Forces, veteran, or spouse or dependent  
 15 of a member of the Armed Forces or a veteran  
 16 to connect directly to the liaison designated  
 17 under paragraph (2); and

18 “(B) shall be listed on the primary Inter-  
 19 net website of the student loan servicer and on  
 20 monthly billing statements.

21 “(d) TRANSFER OF SERVICING.—

22 “(1) DISCLOSURE TO APPLICANT RELATING TO  
 23 TRANSFER OF SERVICING.—

24 “(A) IN GENERAL.—A postsecondary edu-  
 25 cation lender shall disclose to each person who

1 applies for a postsecondary education loan, at  
 2 the time of application for the postsecondary  
 3 education loan, whether there may be a transfer  
 4 of servicing of the postsecondary education loan  
 5 at any time during which the postsecondary  
 6 education loan is outstanding.

7 “(B) NO LIABILITY.—A postsecondary  
 8 education lender shall not be liable to a bor-  
 9 rower for failure to comply with subparagraph  
 10 (A) if the application for a postsecondary edu-  
 11 cation loan was made before the regulations es-  
 12 tablished under section 191 take effect.

13 “(2) NOTICE BY TRANSFEROR SERVICER AT  
 14 TIME OF TRANSFER OF SERVICING.—

15 “(A) NOTICE REQUIREMENT.—A trans-  
 16 feror servicer shall notify the borrower under a  
 17 postsecondary education loan, in writing, of any  
 18 transfer of student loan servicing for the post-  
 19 secondary education loan (with respect to which  
 20 such notice is made).

21 “(B) TIME OF NOTICE.—

22 “(i) IN GENERAL.—Except as pro-  
 23 vided under clause (ii), the notice required  
 24 under subparagraph (A) shall be made to  
 25 the borrower not less than 15 days before

1 the effective date of transfer of the student  
 2 loan servicing of the postsecondary edu-  
 3 cation loan.

4 “(ii) EXCEPTION FOR CERTAIN PRO-  
 5 CEEDINGS.—The notice required under  
 6 subparagraph (A) shall be made to the  
 7 borrower not more than 30 days after the  
 8 effective date of transfer of the student  
 9 loan servicing of the borrower’s postsec-  
 10 ondary education loan if the transfer of  
 11 student loan servicing is preceded by—

12 “(I) termination of the contract  
 13 for student loan servicing of the post-  
 14 secondary education loan for cause;

15 “(II) commencement of bank-  
 16 ruptcy proceedings of the transferor  
 17 servicer; or

18 “(III) any other situation in  
 19 which the Bureau determines that  
 20 such exception is warranted.

21 “(C) CONTENTS OF NOTICE.—The notice  
 22 required under subparagraph (A) shall—

23 “(i) be made in writing and, if the  
 24 transferor servicer has an email address  
 25 for the borrower, by email; and

1 “(ii) include—

2 “(I) the effective date of the  
3 transfer;

4 “(II) the name, address, website,  
5 and toll-free or collect-call telephone  
6 number of the transferee servicer;

7 “(III) a toll-free or collect-call  
8 telephone number for an individual  
9 employed by the transferor servicer,  
10 or the office or department of, the  
11 transferor servicer that can be con-  
12 tacted by the borrower to answer in-  
13 quiries relating to the transfer of serv-  
14 icing;

15 “(IV) the name and toll-free or  
16 collect-call telephone number for an  
17 individual employed by the transferee  
18 servicer, or the office or department  
19 of, the transferee servicer that can be  
20 contacted by the borrower to answer  
21 inquiries relating to the transfer of  
22 servicing;

23 “(V) the date on which the trans-  
24 feror servicer will cease to accept pay-  
25 ments relating to the borrower’s post-

1 secondary education loan and the date  
2 on which the transferee servicer will  
3 begin to accept such payments;

4 “(VI) a statement that the trans-  
5 fer of student loan servicing of the  
6 postsecondary education loan does not  
7 affect any term or condition of the  
8 postsecondary education loan other  
9 than terms directly related to the stu-  
10 dent loan servicing of the postsec-  
11 ondary education loan;

12 “(VII) a statement disclosing—

13 “(aa) whether borrower au-  
14 thorization for recurring elec-  
15 tronic funds transfers will be  
16 transferred to the transferee  
17 servicer; and

18 “(bb) if any such recurring  
19 electronic funds transfers cannot  
20 be transferred, information as to  
21 how the borrower may establish  
22 new recurring electronic funds  
23 transfers in connection with  
24 transfer of servicing to the trans-  
25 feree servicer;

1 “(VIII) a statement disclosing—

2 “(aa) the application of all  
3 payments and charges relating to  
4 the borrower’s postsecondary  
5 education loan as of the effective  
6 date of the transfer, including—

7 “(AA) the date the last  
8 payment of the borrower  
9 was received;

10 “(BB) the date the last  
11 late fee, arrearages, or other  
12 charge was applied; and

13 “(CC) the amount of  
14 the last payment allocated to  
15 principal, interest, and other  
16 charges;

17 “(bb) the status of the bor-  
18 rower’s postsecondary education  
19 loan as of the effective date of  
20 the transfer, including whether  
21 the loan is in default;

22 “(cc) whether any applica-  
23 tion for an alternative repayment  
24 arrangement submitted by the  
25 borrower is pending; and

1                   “(dd) an itemization and ex-  
 2                   planation for all arrearages  
 3                   claimed to be due as of the effec-  
 4                   tive date of the transfer;

5                   “(IX) a detailed description of  
 6                   any benefit, alternative repayment ar-  
 7                   rangement, or other term or condition  
 8                   arranged between the transferor  
 9                   servicer and the borrower that is not  
 10                  included in the terms of the promis-  
 11                  sory note;

12                  “(X) a detailed description of any  
 13                  item identified under subclause (VIII)  
 14                  that will cease to apply upon transfer,  
 15                  including an explanation; and

16                  “(XI) information on how to file  
 17                  a complaint with the Bureau.

18                  “(3) NOTICE BY TRANSFEREE SERVICER AT  
 19                  TIME OF TRANSFER OF SERVICING.—

20                  “(A) NOTICE REQUIREMENT.—A trans-  
 21                  feree servicer shall notify the borrower under a  
 22                  postsecondary education loan, in writing, of any  
 23                  transfer of servicing of the postsecondary edu-  
 24                  cation loan.

25                  “(B) TIME OF NOTICE.—

1           “(i) IN GENERAL.—Except as pro-  
 2           vided in clause (ii), the notice required  
 3           under subparagraph (A) shall be made to  
 4           the borrower not more than 15 days after  
 5           the effective date of transfer of the student  
 6           loan servicing of the borrower’s postsec-  
 7           ondary education loan.

8           “(ii) EXCEPTION FOR CERTAIN PRO-  
 9           CEEDINGS.—The notice required under  
 10          subparagraph (A) shall be made to the  
 11          borrower not more than 30 days after the  
 12          effective date of transfer of the student  
 13          loan servicing of the student loan servicing  
 14          of borrower’s postsecondary education loan  
 15          if the transfer of servicing is preceded  
 16          by—

17               “(I) termination of the contract  
 18               for student loan servicing the postsec-  
 19               ondary education loan for cause;

20               “(II) commencement of bank-  
 21               ruptcy proceedings of the transferor  
 22               servicer; or

23               “(III) any other situation in  
 24               which the Bureau determines that  
 25               such exception is warranted.

1           “(C) CONTENTS OF NOTICE.—The notice  
2           required under subparagraph (A) shall be made  
3           in the same manner as under paragraph (2)(C)  
4           and include the information described in para-  
5           graph (2)(C).

6           “(4) METHOD OF NOTIFICATION.—The notifica-  
7           tion required under this subsection shall be provided  
8           in writing.

9           “(5) TREATMENT OF LOAN PAYMENTS DURING  
10          TRANSFER PERIOD.—

11           “(A) IN GENERAL.—During the 60-day pe-  
12          riod beginning on the effective date of transfer  
13          relating to a borrower’s postsecondary edu-  
14          cation loan, a late fee may not be imposed on  
15          the borrower with respect to any payment on  
16          the postsecondary education loan, and no such  
17          payment may be treated as late for any other  
18          purposes, if the payment is received by the  
19          transferor servicer (rather than the transferee  
20          servicer who should properly receive payment)  
21          before the due date applicable to such payment.

22           “(B) NOTICE.—To the maximum extent  
23          practicable, a transferor servicer shall notify a  
24          borrower, both in writing and by telephone, re-  
25          garding any payment received by the transferor

1           servicer (rather than the transferee servicer  
2           who should properly receive payment).

3           “(6) ELECTRONIC FUND TRANSFER AUTHOR-  
4           ITY.—A transferee servicer shall make available to a  
5           borrower whose student loan servicing is transferred  
6           to the transferee servicer a simple, online process  
7           through which the borrower may transfer to the  
8           transferee servicer any existing authority for an elec-  
9           tronic fund transfer that the borrower had provided  
10          to the transferor servicer.

11          “(7) SERVICER LIABILITY.—

12                 “(A) EFFECTIVE DATE OF REGULA-  
13                 TIONS.—A student loan servicer shall not be  
14                 liable to a borrower for failure to comply with  
15                 paragraph (2) or (3) with respect to a transfer  
16                 of student loan servicing before the regulations  
17                 under section 191 take effect.

18                 “(B) MITIGATING ACTION.—A student  
19                 loan servicer or a postsecondary education lend-  
20                 er shall not be liable to a borrower for failure  
21                 to comply with a requirement under this section  
22                 if, not later than 60 days after discovering an  
23                 error and before the commencement of an ac-  
24                 tion under section 130 or the receipt of written  
25                 notice of the error from the borrower, the stu-

1           dent loan servicer notifies the borrower of the  
 2           error and makes any adjustments in the appro-  
 3           priate account that are necessary to ensure that  
 4           the borrower will not be required to pay an  
 5           amount greater than the amount that the bor-  
 6           rower otherwise would have paid.

7   **“§ 190. Payments and fees**

8           “(a) PROHIBITION ON RECOMMENDING DEFAULT.—

9   A loan holder or student loan servicer may not recommend  
 10 or encourage default or delinquency on an existing post-  
 11 secondary education loan prior to and in connection with  
 12 the process of qualifying for or enrolling in an alternative  
 13 repayment arrangement, including the origination of a  
 14 new postsecondary education loan that refinances all or  
 15 any portion of such existing loan or debt.

16          “(b) LATE FEES.—

17               “(1) IN GENERAL.—A late fee may not be  
 18           charged to a borrower under a postsecondary edu-  
 19           cation loan under any of the following cir-  
 20           cumstances, either individually or in combination:

21                       “(A) On a per-loan basis when a borrower  
 22           has multiple postsecondary education loans in a  
 23           billing group.

24                       “(B) In an amount greater than 4 percent  
 25           of the amount of the payment past due.

1           “(C) Before the end of the 15-day period  
2           beginning on the date the payment is due.

3           “(D) More than once with respect to a sin-  
4           gle late payment.

5           “(E) The borrower fails to make a sin-  
6           gular, non successive regularly-scheduled pay-  
7           ment on the postsecondary education loan.

8           “(2) COORDINATION WITH SUBSEQUENT LATE  
9           FEES.—No late fee may be charged to a borrower  
10          under a postsecondary education loan relating to an  
11          insufficient payment if the payment is made on or  
12          before the due date of the payment, or within any  
13          applicable grace period for the payment, if the insuf-  
14          ficiency is attributable only to a late fee relating to  
15          an earlier payment, and the payment is otherwise a  
16          full payment for the applicable period.

17          “(c) ACCELERATION OF POSTSECONDARY EDU-  
18          CATION LOANS.—

19               “(1) IN GENERAL.—Except as provided in para-  
20          graph (2), a postsecondary education loan executed  
21          after the date of enactment of the Higher Education  
22          Affordability Act may not include a provision that  
23          permits the loan holder or student loan servicer to  
24          accelerate, in whole or in part, payments on the  
25          postsecondary education loan.

1           “(2) ACCELERATION CAUSED BY A PAYMENT  
2           DEFAULT.—A postsecondary education loan may in-  
3           clude a provision that permits acceleration of the  
4           postsecondary education loan in cases of payment  
5           default.

6           “(d) MODIFICATION AND DEFERRAL FEES PROHIB-  
7           ITED.—A loan holder or student loan servicer may not  
8           charge a borrower any fee to modify, renew, extend, or  
9           amend a postsecondary education loan, or to defer any  
10          payment due under the terms of a postsecondary edu-  
11          cation loan.

12          “(e) PAYOFF STATEMENT.—

13           “(1) FEES.—

14           “(A) IN GENERAL.—Except as provided in  
15           subparagraph (B) or (D), a loan holder or stu-  
16           dent loan servicer may not charge a fee for in-  
17           forming or transmitting to a borrower or a per-  
18           son authorized by the borrower the balance due  
19           to pay off the outstanding balance on a postsec-  
20           ondary education loan.

21           “(B) TRANSACTION FEE.—If a loan holder  
22           or student loan servicer provides the informa-  
23           tion described in subparagraph (A) by facsimile  
24           transmission or courier service, the loan holder  
25           or student loan servicer may charge a proc-

1           essing fee to cover the cost of such transmission  
2           or service in an amount that is not more than  
3           a comparable fee imposed for similar services  
4           provided in connection with consumer credit  
5           transactions.

6           “(C) FEE DISCLOSURE.—A loan holder or  
7           student loan servicer shall disclose to the bor-  
8           rower that payoff balances are available for free  
9           pursuant to subparagraph (A) before charging  
10          a transaction fee under subparagraph (B).

11          “(D) MULTIPLE REQUESTS.—If a loan  
12          holder or student loan servicer has provided the  
13          information described in subparagraph (A)  
14          without charge, other than the transaction fee  
15          permitted under subparagraph (B), on 4 or  
16          more occasions during a calendar year, the loan  
17          holder or student loan servicer may thereafter  
18          charge a reasonable fee for providing such in-  
19          formation during the remainder of the calendar  
20          year.

21          “(2) PROMPT DELIVERY.—A loan holder or a  
22          student loan servicer that has received a request by  
23          a borrower or a person authorized by a borrower for  
24          the information described in paragraph (1)(A) shall  
25          provide such information to the borrower or person

1 authorized by the borrower not later than 5 business  
 2 days after receiving such request.

3 “(f) INTEREST RATE AND TERM CHANGES FOR CER-  
 4 TAIN POSTSECONDARY EDUCATION LOANS.—

5 “(1) NOTIFICATION REQUIREMENTS.—

6 “(A) IN GENERAL.—Except as provided in  
 7 paragraph (3), a student loan servicer shall pro-  
 8 vide written notice to a borrower of any mate-  
 9 rial change in the terms of the postsecondary  
 10 education loan, including an increase in the in-  
 11 terest rate, not later than 45 days before the ef-  
 12 fective date of the change or increase.

13 “(B) MATERIAL CHANGES IN TERMS.—The  
 14 Bureau shall, by regulation, establish guidelines  
 15 for determining which changes in terms are ma-  
 16 terial under subparagraph (A).

17 “(2) LIMITS ON INTEREST RATE AND FEE IN-  
 18 CREASES APPLICABLE TO OUTSTANDING BAL-  
 19 ANCE.—Except as provided in paragraph (3), a loan  
 20 holder or student loan servicer may not increase the  
 21 interest rate or other fee applicable to an out-  
 22 standing balance on a postsecondary education loan.

23 “(3) EXCEPTIONS.—The requirements under  
 24 paragraphs (1) and (2) shall not apply to—

1           “(A) an increase in any applicable variable  
2           interest rate incorporated in the terms of a  
3           postsecondary education loan that provides for  
4           changes in the interest rate according to oper-  
5           ation of an index that is not under the control  
6           of the loan holder or student loan servicer and  
7           is published for viewing by the general public;

8           “(B) an increase in interest rate due to the  
9           completion of a workout or temporary hardship  
10          arrangement by the borrower or the failure of  
11          the borrower to comply with the terms of a  
12          workout or temporary hardship arrangement  
13          if—

14               “(i) the interest rate applicable to a  
15               category of transactions following any such  
16               increase does not exceed the rate or fee  
17               that applied to that category of trans-  
18               actions prior to commencement of the ar-  
19               rangement; and

20               “(ii) the loan holder or student loan  
21               servicer has provided the borrower, prior to  
22               the commencement of such arrangement,  
23               with clear and conspicuous disclosure of  
24               the terms of the arrangement (including

1           any increases due to such completion or  
2           failure); and

3           “(C) an increase in interest rate due to a  
4           provision included within the terms of a post-  
5           secondary education loan that provides for a  
6           lower interest rate based on the borrower’s  
7           agreement to a prearranged plan that author-  
8           izes recurring electronic funds transfers if—

9                   “(i) the borrower withdraws the bor-  
10                  rower’s authorization of the prearranged  
11                  recurring electronic funds transfer plan;  
12                  and

13                   “(ii) after withdrawal of the bor-  
14                  rower’s authorization and prior to increas-  
15                  ing the interest rate, the loan holder or  
16                  student loan servicer has provided the bor-  
17                  rower with clear and conspicuous disclo-  
18                  sure of the impending change in borrower’s  
19                  interest rate and a reasonable opportunity  
20                  to reauthorize the prearranged electronic  
21                  funds transfers plan.

22           “(g) PROMPT AND FAIR CREDITING OF PAY-  
23   MENTS.—

24                   “(1) PROMPT CREDITING.—Payments received  
25                  from a borrower under a postsecondary education

1 loan by the student loan servicer shall be posted  
2 promptly to the account of the borrower as specified  
3 in regulations of the Bureau. Such regulations shall  
4 prevent a fee from being imposed on any borrower  
5 if the student loan servicer has received the bor-  
6 rower's payment in readily identifiable form, by 5:00  
7 p.m. on the date on which such payment is due, in  
8 the amount, manner, and location specified by the  
9 student loan servicer.

10 “(2) APPLICATION OF PAYMENTS.—

11 “(A) IN GENERAL.—

12 “(i) TREATMENTS OF PREPAY-  
13 MENTS.—A student loan servicer that serv-  
14 ices a billing group of a borrower shall,  
15 upon receipt of a payment from the bor-  
16 rower, apply amounts in excess of the  
17 monthly payment amount first to the prin-  
18 cipal of the postsecondary education loan  
19 bearing the highest interest rate, and then  
20 to each successive principal balance bear-  
21 ing the next highest interest rate until the  
22 payment is exhausted, unless otherwise  
23 specified in writing by the borrower.

24 “(ii) TREATMENT OF UNDERPAY-  
25 MENTS.—

1 “(I) REGULATIONS REQUIRED.—

2 Not later than 1 year after the date  
 3 on which the Bureau submits the first  
 4 report required under section 1018 of  
 5 the Higher Education Affordability  
 6 Act, the Bureau shall issue regula-  
 7 tions establishing the manner in which  
 8 a student loan servicer shall apply  
 9 amounts less than the total payment  
 10 due during the billing cycle.

11 “(II) CONSIDERATIONS.—In  
 12 issuing the regulations required under  
 13 subclause (I), the Bureau shall con-  
 14 sider—

15 “(aa) the impact of the reg-  
 16 ulations on—

17 “(AA) outstanding debt  
 18 of borrowers and the imposi-  
 19 tion of late fees;

20 “(BB) credit ratings of  
 21 borrowers; and

22 “(CC) continued avail-  
 23 ability of alternative repay-  
 24 ment arrangements;

1 “(bb) any other factors the  
2 Bureau determines are appro-  
3 priate; and

4 “(cc) the findings from the  
5 report required under section  
6 1018 of the Higher Education  
7 Affordability Act.

8 “(B) CHANGES BY STUDENT LOAN  
9 SERVICER.—If a student loan servicer makes a  
10 material change in the mailing address, office,  
11 or procedures for handling borrower payments,  
12 and such change causes a material delay in the  
13 crediting of a payment made during the 60-day  
14 period following the date on which such change  
15 took effect, the student loan servicer may not  
16 impose any late fee for a late payment on the  
17 postsecondary education loan to which such  
18 payment was credited.

19 “(h) ADDITIONAL REQUIREMENTS FOR PREPAY-  
20 MENTS.—

21 “(1) ADVANCEMENT OF DATE DUE.—A student  
22 loan servicer may advance the date due of the next  
23 regularly scheduled installment payment of a post-  
24 secondary education loan upon remittance of a pre-  
25 payment by the borrower, if—

1           “(A) the borrower’s payment is sufficient  
2           to satisfy at least 1 additional installment pay-  
3           ment;

4           “(B) the number of billing cycles for which  
5           the date due is advanced is equal to total num-  
6           ber of installment payments satisfied by the  
7           prepayment; and

8           “(C) upon receipt by the student loan  
9           servicer, the prepayment is applied—

10           “(i) to the principal balance of the  
11           postsecondary education loan; or

12           “(ii) if the student loan servicer serv-  
13           ices a billing group of a borrower, to the  
14           principal balance of the postsecondary edu-  
15           cation loan with the highest interest rate  
16           in such billing group.

17           “(2) BORROWER RIGHTS.—A student loan  
18           servicer shall provide a clear, understandable and  
19           transparent means, including through submission of  
20           an online form, for the borrower to elect to—

21           “(A) instruct the servicer not to advance  
22           the date due of future installment payments as  
23           described in paragraph (1); and

24           “(B) voluntarily make payments in excess  
25           of the borrower’s regularly scheduled install-

1           ment payment amount on a periodic basis via  
2           recurring electronic funds transfers or other  
3           automatic payment arrangement.

4           “(i) TIMING OF PAYMENTS.—A student loan servicer  
5   may not treat a payment on a postsecondary education  
6   loan as late for any purpose unless the student loan  
7   servicer has adopted reasonable procedures designed to en-  
8   sure that each billing statement required under subsection  
9   (j)(1) is mailed or delivered to the consumer not later than  
10  21 days before the payment due date.

11          “(j) OTHER REQUIREMENTS FOR POSTSECONDARY  
12  EDUCATION LOANS.—

13               “(1) STATEMENT REQUIRED WITH EACH BILL-  
14   ING CYCLE.—A student loan servicer for each bor-  
15   rower’s account that is being serviced by that stu-  
16   dent loan servicer and that includes a postsecondary  
17   education loan shall transmit to the borrower, for  
18   each billing cycle at the end of which there is an  
19   outstanding balance in that account, a statement  
20   that includes—

21                   “(A) the outstanding balance in the ac-  
22                   count at the beginning of the billing cycle;

23                   “(B) the total amount credited to the ac-  
24                   count during the billing cycle;

1           “(C) the amount of any fee added to the  
2           account during the billing cycle, itemized to  
3           show the amounts, if any, due to the applica-  
4           tion of an increased interest rate, and the  
5           amount, if any, imposed as a minimum or fixed  
6           charge;

7           “(D) the balance on which the fee de-  
8           scribed in subparagraph (C) was computed and  
9           a statement of how the balance was determined;

10          “(E) whether the balance described in sub-  
11          paragraph (D) was determined without first de-  
12          ducting all payments and other credits during  
13          the billing cycle, and the amount of any such  
14          payments and credits;

15          “(F) the outstanding balance in the ac-  
16          count at the end of the billing cycle;

17          “(G) the date by which, or the period with-  
18          in which, payment must be made to avoid late  
19          fees, if any;

20          “(H) the address of the student loan  
21          servicer to which the borrower may direct bill-  
22          ing inquiries;

23          “(I) the amount of any payments or other  
24          credits during the billing cycle that was applied

1 to pay down principal, and the amount applied  
2 to interest;

3 “(J) in the case of a billing group, the allo-  
4 cation of any payments or other credits during  
5 the billing cycle to each of the postsecondary  
6 education loans in the billing group; and

7 “(K) information on how to file a com-  
8 plaint with the Bureau and with the ombuds-  
9 man designated pursuant to section 1035 of the  
10 Dodd-Frank Wall Street Reform and Consumer  
11 Protection Act (12 U.S.C. 5535).

12 “(2) PAYMENT DEADLINES AND PENALTIES.—

13 “(A) DISCLOSURE OF PAYMENT DEAD-  
14 LINES.—In the case of a postsecondary edu-  
15 cation loan account under which a late fee or  
16 charge may be imposed due to the failure of the  
17 borrower to make payment on or before the due  
18 date for such payment, the billing statement re-  
19 quired under paragraph (1) with respect to the  
20 account shall include, in a conspicuous location  
21 on the billing statement, the date on which the  
22 payment is due or, if different, the date on  
23 which a late fee will be charged, together with  
24 the amount of the late fee to be imposed if pay-  
25 ment is made after that date.

1                   “(B) PAYMENTS AT LOCAL BRANCHES.—If  
 2                   the loan holder, in the case of a postsecondary  
 3                   education loan account referred to in subpara-  
 4                   graph (A), is a financial institution that main-  
 5                   tains a branch or office at which payments on  
 6                   any such account are accepted from the bor-  
 7                   rower in person, the date on which the borrower  
 8                   makes a payment on the account at such  
 9                   branch or office shall be considered to be the  
 10                  date on which the payment is made for pur-  
 11                  poses of determining whether a late fee may be  
 12                  imposed due to the failure of the borrower to  
 13                  make payment on or before the due date for  
 14                  such payment.

15               “(k) CORRECTIONS AND UNINTENTIONAL VIOLA-  
 16               TIONS.—A loan holder or student loan servicer who, when  
 17               acting in good faith, fails to comply with any requirement  
 18               under this section will to be deemed to have not violated  
 19               such requirement if the loan holder or student loan  
 20               servicer establishes that—

21                   “(1) not later than 30 days after the date of  
 22                   execution of the postsecondary education loan and  
 23                   prior to the institution of any action under subtitle  
 24                   E of title X of the Dodd-Frank Wall Street Reform

1       and Consumer Protection Act (12 U.S.C. 5561 et  
2       seq.)—

3               “(A) the borrower is notified of or dis-  
4       covers the compliance failure;

5               “(B) appropriate restitution to the bor-  
6       rower is made; and

7               “(C) necessary adjustments are made to  
8       the postsecondary education loan that are nec-  
9       essary to bring the postsecondary education  
10      loan into compliance with the requirements of  
11      this section; or

12              “(2) not later than 60 days after the loan hold-  
13      er or student loan servicer discovers or is notified of  
14      an unintentional violation or bona fide error and  
15      prior to the institution of any action under subtitle  
16      E of title X of the Dodd-Frank Wall Street Reform  
17      and Consumer Protection Act (12 U.S.C. 5561 et  
18      seq.)—

19              “(A) the borrower is notified of the compli-  
20      ance failure;

21              “(B) appropriate restitution to the bor-  
22      rower is made; and

23              “(C) necessary adjustments are made to  
24      the postsecondary education loan that are nec-  
25      essary to bring the postsecondary education

1           loan into compliance with the requirements of  
2           this section.

3           “(l) RULE OF CONSTRUCTION FOR FEDERAL POST-  
4 SECONDARY EDUCATION LOANS.—Nothing in this section  
5 shall be construed to supercede any reporting or disclosure  
6 requirement required for a postsecondary education loan  
7 that is made, issued, or guaranteed under part B, D, or  
8 E of title IV of the Higher Education Act of 1965 (20  
9 U.S.C. 1070 et seq.), part A of title VII of the Public  
10 Health Service Act (42 U.S.C. 292 et seq.), or part E of  
11 title VIII of such Act (42 U.S.C. 297a et seq.), if such  
12 reporting requirement does not directly conflict with the  
13 requirements of this section.

14 **“§ 191. Authority of Bureau**

15           “(a) AUTHORIZATION.—The Bureau, in consultation  
16 with the Secretary of Education, is authorized to prescribe  
17 such rules and regulations, make such interpretations, and  
18 grant such reasonable exemptions, in accordance with, and  
19 as may be necessary to achieve the purposes of, this chap-  
20 ter.

21           “(b) DISCLOSURE REQUIREMENTS.—

22           “(1) IN GENERAL.—The Bureau shall, in con-  
23 sultation with the Secretary of Education, issue reg-  
24 ulations requiring disclosures, including the disclo-  
25 sures required under section 483A of the Higher

1 Education Act of 1965, to borrowers that clearly  
2 and conspicuously inform borrowers of the protec-  
3 tions afforded to them under this chapter and under  
4 other provisions relating to postsecondary education  
5 loans. The Bureau shall consider whether special  
6 disclosures are required to accommodate the unique  
7 needs of borrowers who are members of the Armed  
8 Forces or veterans.

9 “(2) REGULATIONS REQUIRED.—The regula-  
10 tions issued under paragraph (1) shall—

11 “(A) ensure that a borrower is made aware  
12 of—

13 “(i) all repayment options available to  
14 the borrower, including the availability of  
15 refinancing products, and the effect of  
16 each repayment option on the total amount  
17 owed under, total cost of, and time to  
18 repay the postsecondary education loan;

19 “(ii) the risks and costs associated  
20 with default; and

21 “(iii) the eligibility of certain bor-  
22 rowers for discharge of certain postsec-  
23 ondary education loans; and

24 “(B) require provision of information  
25 about how a borrower can file a complaint with

1           the Bureau relating to an alleged violation of  
2           this chapter.

3           “(3) TIMING OF DISCLOSURES.—The regula-  
4           tions issued under paragraph (1) shall specify the  
5           timing of the disclosures described in paragraph  
6           (2)(A). Such timing may include—

7                   “(A) before the first payment is due under  
8           the postsecondary education loan; or

9                   “(B) when the borrower—

10                   “(i) first exhibits difficulty in making  
11           payments under the postsecondary edu-  
12           cation loan;

13                   “(ii) is 30 days delinquent under the  
14           postsecondary education loan;

15                   “(iii) is 60 days delinquent under the  
16           postsecondary education loan;

17                   “(iv) notifies the student loan servicer  
18           of the intent of the borrower to forbear or  
19           defer payment under the postsecondary  
20           education loan;

21                   “(v) inquires about or requests the re-  
22           financing or consolidation of the postsec-  
23           ondary education loan; or

24                   “(vi) informs the student loan  
25           servicer, or a postsecondary education

1 lender acting on behalf of the borrower in-  
2 forms the student loan servicer, that the  
3 borrower will be refinancing or consoli-  
4 dating the loan.

5 “(c) UNFAIR, DECEPTIVE, AND ABUSIVE ACTS OR  
6 LENDING PRACTICES.—The Bureau, by regulation or  
7 order, shall prohibit acts or practices in connection with—

8 “(1) a postsecondary education loan that the  
9 Bureau finds to be unfair, deceptive, or designed to  
10 evade the provisions of this chapter; or

11 “(2) the refinancing of a postsecondary edu-  
12 cation loan, including facilitation of refinancing or  
13 enrollment in an alternative repayment arrangement,  
14 that the Bureau finds to be associated with abusive  
15 lending practices, or that are otherwise not in the in-  
16 terest of the borrower.

17 “(d) CONSULTATION WITH SECRETARY OF EDU-  
18 CATION.—In order to avoid duplication, to the extent prac-  
19 ticable, the Bureau, in consultation with the Secretary of  
20 Education, may consider—

21 “(1) obligations of student loan servicers under  
22 title IV of the Higher Education Act of 1965 (20  
23 U.S.C. 1070 et seq.); and

1 “(2) findings from the report authorized under  
 2 section 456(d) of the Higher Education Act of 1965  
 3 (20 U.S.C. 1087f(d)).

4 **“§ 192. State laws unaffected; inconsistent Federal**  
 5 **and State provisions**

6 “Nothing in this chapter shall annul, alter, or affect,  
 7 or exempt any person subject to the provisions of this  
 8 chapter from complying with the laws of any State with  
 9 respect to student loan servicing practices, fees on postsec-  
 10 ondary education loans, or other requirements relating to  
 11 postsecondary education loans, except to the extent that  
 12 those laws are inconsistent with any provision of this chap-  
 13 ter, and then only to the extent of the inconsistency. The  
 14 Bureau is authorized to determine whether such inconsis-  
 15 encies exist. The Bureau may not determine that any  
 16 State law is inconsistent with any provision of this chapter  
 17 if the Bureau determines that such law gives greater pro-  
 18 tection to the consumer. In making these determinations  
 19 the Bureau shall consult with the appropriate Federal  
 20 agencies.”.

21 **Subpart 3—Regulations and Reports**

22 **SEC. 1017. IMPLEMENTATION OF REGULATIONS.**

23 (a) IN GENERAL.—Except as otherwise provided in  
 24 this part or the amendments made by this part, the Bu-  
 25 reau, in consultation with the Secretary of Education,

1 shall issue the regulations required under this part and  
2 the amendments made by this part not later than 1 year  
3 after the date of enactment of this Act.

4 (b) TRANSITIONAL PERIOD.—Any requirement under  
5 section 433 of the Higher Education Act of 1965 (20  
6 U.S.C. 1083), and any regulation issued pursuant to such  
7 section, that is determined by the Bureau to be duplicative  
8 of a regulation issued pursuant to this part or amendment  
9 made by this part shall continue to be in effect only until  
10 the effective date of such regulation issued pursuant to  
11 this part or the amendment made by this part.

12 **SEC. 1018. REPORT ON CREDIT REPORTING AND STUDENT**  
13 **LENDING.**

14 (a) IN GENERAL.—Not later than 1 year after the  
15 date of enactment of this Act, and as frequently thereafter  
16 as the Director of the Bureau determines an update is  
17 necessary, the Bureau shall submit to the appropriate  
18 committees of Congress a report on the impact of postsec-  
19 ondary education loan debt, which shall include an evalua-  
20 tion, analysis, and discussion of—

21 (1) the impact on the credit of borrowers of—  
22 (A) the common use of billing groups for  
23 postsecondary education loans;

1 (B) the delinquency of 2 or more postsec-  
2 ondary education loans contained in a billing  
3 group; and

4 (C) the availability of alternative repay-  
5 ment arrangements for postsecondary education  
6 loans;

7 (2) what processes student loan servicers imple-  
8 ment in furnishing student loan information to cred-  
9 it reporting agencies;

10 (3) the most effective ways to repair the credit  
11 history of a borrower after a default or delinquency  
12 under a postsecondary education loan;

13 (4) legislative or regulatory changes the Bureau  
14 determines would better assist borrowers under post-  
15 secondary education loans;

16 (5) the manner in which information about re-  
17 payment information about postsecondary education  
18 loans is furnished to consumer reporting agencies  
19 and the impact on the credit profile and credit score  
20 of the borrower when servicing rights for postsec-  
21 ondary education loans are transferred between stu-  
22 dent loan servicers; and

23 (6) any other topics related to credit reporting  
24 of postsecondary education loans the Bureau deter-  
25 mines are necessary.

(b) DISAGGREGATE.—To the extent practicable, the Director of the Bureau shall disaggregate the findings of the report under paragraph (1) according to race, ethnicity, income level, and geography.

**SEC. 1019. OMBUDSMAN REPORT ON PRIVATE EDUCATION  
LOAN MARKET.**

Not less than once every 2 years, the ombudsman designated pursuant to section 1035 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5535) shall submit to the appropriate committees of Congress a report—

(1) providing a detailed analysis of material terms and conditions in private education loans; and

(2) describing changes in the availability of private education loans and other consumer financial products used to finance postsecondary education expenses.

**PART B—INTERNAL REVENUE CODE OF 1986**

**SEC. 1022. INFORMATION SHARING AUTHORITY RELATING  
TO INCOME-BASED REPAYMENT.**

(a) IN GENERAL.—Subparagraph (A) of section 6103(l)(13) of the Internal Revenue Code of 1986 is amended by striking “who has received an applicable student loan and whose loan repayment amounts are based in whole or in part on the taxpayer’s income” and insert-

1 ing “who is more than 150 days delinquent on an eligible  
2 student loan”.

3 (b) RESTRICTION ON REDISCLOSURES.—Subpara-  
4 graph (B) of section 6103(l)(13) of such Code is amend-  
5 ed—

6 (1) by striking “Return information” and in-  
7 serting the following:

8 “(i) IN GENERAL.—Except as other-  
9 wise provided in this subparagraph, return  
10 information”,

11 (2) by striking “income contingent” and insert-  
12 ing “income-based”,

13 (3) by inserting “for purposes of enrolling the  
14 taxpayer in an income-based repayment plan pursu-  
15 ant to section 493C(d) of the Higher Education Act  
16 of 1965 (as in effect on the date of enactment of the  
17 Higher Education Affordability Act)” before the pe-  
18 riod at the end, and

19 (4) by adding at the end the following new  
20 clauses:

21 “(ii) REDISCLOSURE OF REPAYMENT  
22 AMOUNT TO CERTAIN LOAN SERVICE PRO-  
23 VIDERS.—Upon request from an applicable  
24 loan service provider, the Secretary of  
25 Education may disclose to the taxpayer

1 and to the applicable loan service provider  
 2 the taxpayer’s repayment amount under an  
 3 income-based repayment plan described in  
 4 section 493C(b) of the Higher Education  
 5 Act of 1965 (as in effect on the date of en-  
 6 actment of the Higher Education Afford-  
 7 ability Act).

8 “(iii) USE IN ADMINISTRATIVE PRO-  
 9 CEEDINGS.—The information disclosed  
 10 pursuant to this paragraph may be open to  
 11 inspection or disclosure to officers and em-  
 12 ployees of the Department of Education  
 13 who are personally and directly engaged in  
 14 any administrative proceeding arising out  
 15 of the determination of the income-based  
 16 repayment amount and to the taxpayer  
 17 and the taxpayer’s representative.”.

18 (c) DEFINITIONS.—Subparagraph (C) of section  
 19 6103(l)(13) of such Code is amended to read as follows:

20 “(C) DEFINITIONS.—For purposes of this  
 21 paragraph—

22 “(i) ELIGIBLE STUDENT LOAN.—The  
 23 term ‘eligible student loan’ has the mean-  
 24 ing given to the term ‘eligible loan’ under  
 25 section 493C(a) of the Higher Education

1 Act of 1965 (as in effect on the date of en-  
 2 actment of the Higher Education Afford-  
 3 ability).

4 “(ii) APPLICABLE LOAN SERVICE PRO-  
 5 VIDER.—For purposes of this subpara-  
 6 graph, the term ‘applicable loan service  
 7 provider’ means—

8 “(I) any entity with a contract to  
 9 service loans under section 456 of the  
 10 Higher Education Act of 1965,

11 “(II) any entity that is a lender  
 12 of loans made, insured, or guaranteed  
 13 under part B of such Act,

14 “(III) any entity that provides  
 15 student loan servicing for a lender de-  
 16 scribed in subclause (II).”.

17 (d) TERMINATION OF AUTHORITY.—Subparagraph  
 18 (D) of section 6103(l)(13) of the Internal Revenue Code  
 19 of 1986 is amended by striking “December 31, 2007” and  
 20 inserting “December 31, 2019”.

21 (e) CONFORMING AMENDMENT.—The heading for  
 22 paragraph (13) of section 6103(l) of such Code is amend-  
 23 ed by striking “INCOME CONTINGENT REPAYMENT OF  
 24 STUDENT LOANS” and inserting “AUTO-ENROLLMENT OF

1 DELINQUENT STUDENT LOAN BORROWERS IN INCOME-  
2 BASED REPAYMENT PLANS”.

3 (f) APPLICATION OF CERTAIN RULES TO LOAN  
4 SERVICERS.—

5 (1) IN GENERAL.—Paragraph (3) of section  
6 6103(a) of the Internal Revenue Code of 1986 is  
7 amended by inserting “(13),” after “(12),”.

8 (2) PENALTY FOR UNAUTHORIZED INSPEC-  
9 TION.—Subparagraph (B) of section 7213A of such  
10 Code is amended by striking “subsection (l)(18) or  
11 (n) of” and inserting “paragraph (13) or (18) of  
12 subsection (l) of, or subsection (n) of,”.

13 (3) RECORDS OF INSPECTION AND DISCLO-  
14 SURE.—Subparagraph (A) of section 6103(p)(3) of  
15 such Code is amended—

16 (A) by striking “(13),” and

17 (B) by inserting after the second sentence  
18 the following new sentence: “The Secretary of  
19 Education shall supply the Secretary with such  
20 information as is necessary to carry out this  
21 paragraph as it relates to section 6103(l)(13).”.

22 (4) SAFEGUARDS.—Paragraph (4) of section  
23 6103(p) of such Code is amended by inserting  
24 “(13),” after “(l)(10),” each place it appears.

1 (g) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to requests made by the Secretary  
 3 of Education after the date of the enactment of this Act.

4 **PART C—TITLE 11 OF THE UNITED STATES CODE**

5 **SEC. 1031. PRIVATE LOAN DISCHARGE IN BANKRUPTCY.**

6 Section 523(a)(8) of title 11, United States Code, is  
 7 amended by striking “dependents, for” and all that follows  
 8 through the end of subparagraph (B) and inserting “de-  
 9 pendants, for an educational benefit overpayment or loan  
 10 made, insured, or guaranteed by a governmental unit or  
 11 made under any program funded in whole or in part by  
 12 a governmental unit or an obligation to repay funds re-  
 13 ceived from a governmental unit as an educational benefit,  
 14 scholarship, or stipend;”.

15 **PART D—SERVICEMEMBERS CIVIL RELIEF ACT**

16 **SEC. 1041. MODIFICATION OF LIMITATION ON RATE OF IN-**

17 **TEREST ON STUDENT LOANS DURING AND**

18 **IMMEDIATELY AFTER PERIOD OF MILITARY**

19 **SERVICE.**

20 (a) EXTENSION OF PERIOD OF APPLICABILITY OF  
 21 LIMITATION ON RATE OF INTEREST ON STUDENT LOANS  
 22 INCURRED BEFORE SERVICE.—Section 207(a)(1) of the  
 23 Servicemembers Civil Relief Act (50 U.S.C. App.  
 24 527(a)(1)) is amended—

1 (1) in subparagraph (A), by inserting “or a stu-  
2 dent loan” after “nature of a mortgage”; and

3 (2) in the paragraph heading, by inserting “ON  
4 DEBT INCURRED BEFORE SERVICE” after “LIMITA-  
5 TION TO 6 PERCENT”.

6 (b) DEBT ENTERED INTO DURING MILITARY SERV-  
7 ICE TO CONSOLIDATE OR REFINANCE STUDENT LOANS  
8 INCURRED BEFORE MILITARY SERVICE.—Subsection (a)  
9 of section 207 of such Act (50 U.S.C. App. 527) is amend-  
10 ed—

11 (1) by redesignating paragraphs (2) and (3) as  
12 paragraphs (3) and (4), respectively;

13 (2) by inserting after paragraph (1) the fol-  
14 lowing:

15 “(2) LIMITATION TO 6 PERCENT ON DEBT IN-  
16 CURRED DURING SERVICE TO CONSOLIDATE OR RE-  
17 FINANCE STUDENT LOANS INCURRED BEFORE SERV-  
18 ICE.—An obligation or liability bearing interest at a  
19 rate in excess of 6 percent per year that is incurred  
20 by a servicemember, or the servicemember and the  
21 servicemember’s spouse jointly, during military serv-  
22 ice to consolidate or refinance one or more student  
23 loans incurred by the servicemember before such  
24 military service shall not bear an interest at a rate

1 in excess of 6 percent during the period of military  
2 service and one year thereafter.”;

3 (3) in paragraph (3), as redesignated by para-  
4 graph (1) of this subsection, by inserting “or (2)”  
5 after “paragraph (1)”; and

6 (4) in paragraph (4), as so redesignated, by  
7 striking “paragraph (2)” and inserting “paragraph  
8 (3)”.

9 (c) IMPLEMENTATION OF LIMITATION.—Subsection  
10 (b) of such section is amended—

11 (1) in paragraph (1), by striking “the interest  
12 rate limitation in subsection (a)” and inserting “an  
13 interest rate limitation in paragraph (1) or (2) of  
14 subsection (a)”; and

15 (2) in paragraph (2)—

16 (A) in the paragraph heading, by striking  
17 “AS OF DATE OF ORDER TO ACTIVE DUTY”; and

18 (B) by inserting before the period at the  
19 end the following: “in the case of an obligation  
20 or liability covered by subsection (a)(1), or as of  
21 the date the servicemember (or servicemember  
22 and spouse jointly) incurs the obligation or li-  
23 ability concerned under subsection (a)(2)”.

1 (d) STUDENT LOAN DEFINED.—Subsection (d) of  
 2 such section is amended by adding at the end the following  
 3 new paragraph:

4 “(3) STUDENT LOAN.—The term ‘student loan’  
 5 means the following:

6 “(A) A Federal student loan made, in-  
 7 sured, or guaranteed under title IV of the  
 8 Higher Education Act of 1965 (20 U.S.C. 1070  
 9 et seq.).

10 “(B) A student loan made pursuant to title  
 11 VII or VIII of the Public Health Service Act  
 12 (42 U.S.C. 292 et seq. and 296 et seq.).

13 “(C) A private student loan as that term  
 14 is defined in section 140(a) of the Truth in  
 15 Lending Act (15 U.S.C. 1650(a)).”.

16 **PART E—UNITED STATES INSTITUTE OF PEACE**  
 17 **ACT**

18 **SEC. 1051. UNITED STATES INSTITUTE OF PEACE ACT.**

19 Section 1710(a)(1) of the United States Institute of  
 20 Peace Act (22 U.S.C. 4609(a)(1)) is amended by striking  
 21 “to be appropriated” and all that follows through the pe-  
 22 riod at the end and inserting “to be appropriated such  
 23 sums as may be necessary for fiscal years 2015 through  
 24 2019”.

1 **TITLE XI—REPORTS, STUDIES,**  
 2 **AND MISCELLANEOUS PROVI-**  
 3 **SIONS**

4 **SEC. 1101. CONSUMER PROTECTIONS FOR STUDENTS.**

5 (a) IN GENERAL.—

6 (1) DEFINITIONS.—In this section:

7 (A) FEDERAL FINANCIAL ASSISTANCE  
 8 PROGRAM.—The term “Federal financial assist-  
 9 ance program” means a program authorized  
 10 and funded by the Federal Government under  
 11 any of the following provisions of law:

12 (i) Title IV of the Higher Education  
 13 Act of 1965 (20 U.S.C. 1070 et seq.).

14 (ii) Title I of the Workforce Invest-  
 15 ment Act of 1998 (29 U.S.C. 2801 et seq.)  
 16 or title I of the Workforce Innovation and  
 17 Opportunity Act (29 U.S.C. 3111 et seq.).

18 (iii) The Adult Education and Family  
 19 Literacy Act (29 U.S.C. 3101 note et  
 20 seq.).

21 (iv) Chapter 30, 31, 32, 33, 34, or 35  
 22 of title 38, United States Code.

23 (v) Chapter 101, 105, 106A, 1606,  
 24 1607, or 1608 of title 10, United States  
 25 Code.

1 (vi) Section 1784a, 2005, or 2007 of  
2 title 10, United States Code.

3 (B) INSTITUTION OF HIGHER EDU-  
4 CATION.—The term “institution of higher edu-  
5 cation”—

6 (i) with respect to a program author-  
7 ized under subparagraph (A)(i), has the  
8 meaning given the term in section 102 of  
9 the Higher Education Act of 1965 (20  
10 U.S.C. 1002);

11 (ii) with respect to a program author-  
12 ized under title I of the Workforce Invest-  
13 ment Act of 1998 (29 U.S.C. 2801 et  
14 seq.), has the meaning given the term  
15 “postsecondary educational institution” as  
16 defined in section 101 of the Workforce In-  
17 vestment Act of 1998 (29 U.S.C. 2801),  
18 and with respect to a program authorized  
19 under title I of the Workforce Innovation  
20 and Opportunity Act (29 U.S.C. 3111 et  
21 seq.), has the meaning given the term “in-  
22 stitution of higher education” as defined in  
23 section 3 of the Workforce Innovation and  
24 Opportunity Act (29 U.S.C. 3102);

(iii) with respect to a program authorized under subparagraph (A)(iii), has the meaning given the term “postsecondary educational institution” as defined in section 203 of the Adult Education and Family Literacy Act (29 U.S.C. 3272);

(iv) with respect to a program authorized under subparagraph (A)(iv), has the meaning given the term “educational institution” under section 3452 of title 38, United States Code;

(v) with respect to a program authorized under subparagraph (A)(v), means an educational institution that awards a degree or certificate and is located in any State; and

(vi) with respect to a program authorized under subparagraph (A)(vi), means an educational institution that awards a degree or certificate and is located in any State.

(C) STATE.—

(i) STATE.—The term “State” includes, in addition to the several States of the United States, the Commonwealth of

1 Puerto Rico, the District of Columbia,  
2 Guam, American Samoa, the United States  
3 Virgin Islands, the Commonwealth of the  
4 Northern Mariana Islands, and the freely  
5 associated States.

6 (ii) FREELY ASSOCIATED STATES.—

7 The term “freely associated States” means  
8 the Republic of the Marshall Islands, the  
9 Federated States of Micronesia, and the  
10 Republic of Palau.

11 (2) CONSUMER PROTECTIONS.—Notwith-

12 standing any other provision of law, an institution of  
13 higher education is not eligible to participate in a  
14 Federal financial assistance program with respect to  
15 any program of postsecondary education or training,  
16 including a degree or certificate program, that is de-  
17 signed to prepare students for entry into a recog-  
18 nized occupation or profession that requires licensing  
19 or other established requirements as a condition for  
20 entry into such occupation or profession, unless, by  
21 not later than 1 year after the date of enactment of  
22 this Act—

23 (A) the successful completion of the pro-  
24 gram fully qualifies a student, in the Metropoli-  
25 tan Statistical Area in which the student re-

1 sides (and in any State in which the institution  
2 indicates, through advertising or marketing ac-  
3 tivities or direct contact with potential students,  
4 that a student will be prepared to work in the  
5 occupation or profession after successfully com-  
6 pleting the program), to—

7 (i) take any examination required for  
8 entry into the recognized occupation or  
9 profession in the Metropolitan Statistical  
10 Area and State in which the student re-  
11 sides, including satisfying all State or pro-  
12 fessionally mandated programmatic and  
13 specialized accreditation requirements, if  
14 any; and

15 (ii) be certified or licensed or meet  
16 any other academically related conditions  
17 that are required for entry into the recog-  
18 nized occupation or profession in the State;  
19 and

20 (B) the institution offering the program  
21 provides timely placement for all of the aca-  
22 demically related pre-licensure requirements for  
23 entry into the recognized occupation or profes-  
24 sion, such as clinical placements, internships, or  
25 apprenticeships.

1           (3) REGULATIONS ON PROGRAMS IN  
 2 PREACCREDITATION STATUS.—The Secretary of  
 3 Education shall promulgate regulations on require-  
 4 ments of an institution of higher education with re-  
 5 spect to any program of the institution that is in a  
 6 preaccredited status, including limitations on, or re-  
 7 quirements of, advertisement of the program to stu-  
 8 dents. Such regulations shall be consistent with the  
 9 provisions of paragraph (2).

10           (4) LOAN DISCHARGE.—The Secretary of Edu-  
 11 cation shall promulgate regulations that condition  
 12 eligibility for an institution of higher education to  
 13 participate in any Federal financial assistance pro-  
 14 gram on the institution signing with each student  
 15 enrolled in any program of the institution that is in  
 16 a preaccredited status, a loan discharge agreement.

17           (b) EFFECTIVE DATE.—This section shall take effect  
 18 on the date that is 1 year after the date of enactment  
 19 of this Act.

20 **SEC. 1102. LONGITUDINAL STUDY OF THE EFFECTIVENESS**  
 21 **OF STUDENT LOAN COUNSELING.**

22           (a) IN GENERAL.—Not later than 1 year after the  
 23 date of enactment of this Act, the Secretary of Education  
 24 and the Director of the Bureau of Consumer Financial  
 25 Protection, acting through the Director of the Institute

1 of Education Sciences, shall begin conducting a rigorous  
2 longitudinal study of the impact and effectiveness of stu-  
3 dent loan counseling, as provided in accordance with sub-  
4 sections (b), (l), and (n) of section 485 of the Higher Edu-  
5 cation Act of 1965 (20 U.S.C. 1092) and through such  
6 other means of providing student loan counseling services  
7 as the Secretary may determine.

8 (b) CONTENTS.—The longitudinal study shall include  
9 borrower information, in the aggregate and disaggregated  
10 by race, ethnicity, gender, income, and status as an indi-  
11 vidual with a disability, about—

12 (1) student persistence;

13 (2) degree attainment;

14 (3) program completion;

15 (4) successful entry into student loan repay-  
16 ment;

17 (5) cumulative borrowing levels; and

18 (6) such other factors as the Secretary may de-  
19 termine.

20 (c) INTERIM REPORTS.—Not later than 18 months  
21 after the commencement of the study described under this  
22 section, and annually thereafter, the Secretary shall evalu-  
23 ate the progress of the study and report any short-term  
24 findings to the appropriate committees of Congress.

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
 2 are authorized to be appropriated to carry out this section  
 3 such sums as may be necessary for fiscal year 2015 and  
 4 each of the 4 succeeding fiscal years.

5 **SEC. 1103. RECOMMENDATIONS FOR STUDENT LOAN COUN-**  
 6 **SELING.**

7 The Secretary of the Treasury, acting through the  
 8 President's Advisory Council on Financial Capability and  
 9 the Financial Literacy and Education Commission, shall  
 10 prepare and submit to Congress and to the Secretary of  
 11 Education a report containing recommendations about in-  
 12 formation, including methods and strategies for conveying  
 13 such information to borrowers in order to ensure com-  
 14 prehension, that should be included in financial literacy  
 15 counseling for first-time student loan borrowers.

16 **SEC. 1104. WORKING GROUP ON IMPROVEMENT OF RE-**  
 17 **SOURCES AVAILABLE TO MEMBERS OF THE**  
 18 **ARMED FORCES AND THEIR SPOUSES IN**  
 19 **USING TUITION ASSISTANCE PROGRAMS OF**  
 20 **THE DEPARTMENT OF DEFENSE.**

21 (a) WORKING GROUP REQUIRED.—The Secretary of  
 22 Education, the Secretary of Defense, the Secretary of Vet-  
 23 erans Affairs, and the Director of the Bureau of Consumer  
 24 Financial Protection shall jointly, and in consultation with  
 25 the heads of such other departments and agencies of the

1 Federal Government as such officials consider appro-  
2 priate, establish and maintain a working group to assess  
3 and improve the resources available to education service  
4 officers and other personnel of the Federal Government  
5 who provide assistance to members of the Armed Forces  
6 and their spouses in using or seeking to use the tuition  
7 assistance programs of the Department of Defense.

8 (b) RESOURCES.—In improving resources as de-  
9 scribed in subsection (a), the working group shall provide  
10 for the inclusion of the following in such resources:

11 (1) Information on the benefits and protections  
12 for members of the Armed Forces and their depend-  
13 ents provided in this Act and the amendments made  
14 by this Act.

15 (2) Consumer information, resources, and tools  
16 created and maintained by the working group pursu-  
17 ant to this section.

18 (3) Information on the availability of consumer  
19 protection measures, including the complaint system  
20 established pursuant to Executive Order 13607 (77  
21 Fed. Reg. 25861; relating to establishing principles  
22 of excellence for educational institutions serving  
23 servicemembers, veterans, spouses, and other family  
24 members).

1           (4) Such other information or resources as the  
2           working group considers appropriate.

3 **SEC. 1105. STUDY ON PUBLIC SERVICE LOAN FORGIVE-**  
4 **NESS.**

5           (a) IN GENERAL.—By not later than 1 year after the  
6           date of enactment of this Act, the Secretary shall, in con-  
7           sultation with the Director of the Bureau of Consumer  
8           Financial Protection, prepare and submit to the Com-  
9           mittee on Health, Education, Labor, and Pensions of the  
10          Senate and the Committee on Education and the Work-  
11          force of the House of Representatives a report evaluating  
12          the effectiveness of the public service loan forgiveness pro-  
13          gram under section 455(m) of the Higher Education Act  
14          of 1965 (20 U.S.C. 1087e(m)).

15          (b) CONTENTS.—The report required under sub-  
16          section (a) shall include—

17                (1) an analysis of total borrowing for prospec-  
18                tive recipients of loan forgiveness under section  
19                455(m) of the Higher Education Act of 1965 (20  
20                U.S.C. 1087e(m)), including participants that have  
21                completed the certification form developed by the  
22                Secretary pursuant to such section;

23                (2) an analysis of the public service entities em-  
24                ploying prospective recipients of loan forgiveness  
25                under such section, including public service organi-

1 zations identified on the certification forms devel-  
2 oped by the Secretary pursuant to such section;

3 (3) an analysis of the impact of the availability  
4 of public service loan forgiveness under such section  
5 on the utilization of other benefits established to en-  
6 courage or reward public service employment under  
7 title IV of the Higher Education Act of 1965 (20  
8 U.S.C. 1070), including the programs established  
9 under sections 428J, 460, and 465 of such Act (20  
10 U.S.C. 1078–10, 1087j, and 1087ee);

11 (4) an analysis of the impact public service loan  
12 forgiveness under section 455(m) of such Act has  
13 had on the existence of loan repayment assistance  
14 programs offered by institutions of higher education  
15 for students employed in public service;

16 (5) an evaluation of the impact of the public  
17 service loan forgiveness program under such section  
18 on total tuition and fees at institutions where the  
19 Secretary finds a reasonable number of borrowers  
20 are both—

21 (A) prospective recipients of loan forgive-  
22 ness under section 455(m), as described in  
23 paragraph (1); and

24 (B) recipients of an award under a loan re-  
25 payment assistance program made by an insti-

1           tution of higher education described in para-  
2           graph (4);

3           (6) an evaluation of the impact of borrowers de-  
4           scribed in paragraph (5) on total program costs for  
5           the public service loan forgiveness program under  
6           section 455(m); and

7           (7) an evaluation of the cost and feasibility of  
8           altering the public service loan forgiveness program  
9           carried out under section 455(m) of the Higher  
10          Education Act of 1965 (20 U.S.C. 1087e(m)) in  
11          order to allow a proportionate percentage of loan  
12          cancellation for each year of public service that the  
13          individual completes, and a comparison of the esti-  
14          mated costs of such a prorated program with the es-  
15          timated costs of the public service loan forgiveness  
16          program carried out under such section 455(m), as  
17          in effect on the date of the study.

18 **SEC. 1106. LONGITUDINAL STUDY OF THE CAUSES OF STU-**  
19 **DENT LOAN DEFAULT.**

20          (a) IN GENERAL.—Not later than 1 year after the  
21          date of enactment of this Act, the Secretary of Education  
22          and the Director of the Bureau of Consumer Financial  
23          Protection, acting through the Director of the Institute  
24          of Education Sciences, shall begin conducting a rigorous  
25          longitudinal study of the causes of default on loans made,

1 insured, or guaranteed under part B, D, or E of title IV  
 2 of the Higher Education Act of 1965 (20 U.S.C. 1071  
 3 et seq., 1087a et seq., 1087aa et seq.).

4 (b) CONTENTS.—The longitudinal study shall in-  
 5 clude—

6 (1) information about borrowers of loans de-  
 7 scribed in subsection (a), disaggregated by age, race,  
 8 ethnicity, gender, status as an individual with a dis-  
 9 ability, and status as a low-income individual, re-  
 10 garding possible risk factors for default, including—

11 (A) the type of institution attended by the  
 12 borrower;

13 (B) the degree or program in which the  
 14 borrower was enrolled;

15 (C) educational attainment level;

16 (D) personal and financial circumstances;

17 (E) employment status;

18 (F) types of loans held by the borrower;

19 (G) the interest rate on outstanding loans  
 20 held by the borrower;

21 (H) the repayment plan selected by the  
 22 borrower;

23 (I) loan servicing difficulties;

24 (J) outstanding debt level; and

1 (K) such other factors as the Secretary  
2 and Director of the Bureau of Consumer Fi-  
3 nancial Protection may determine;

4 (2) consideration of the relevance of the pos-  
5 sible risk factors; and

6 (3) policy recommendations designed to de-  
7 crease the likelihood of student loan default.

8 (c) REPORTS.—

9 (1) INTERIM REPORTS.—Not later than 18  
10 months after the commencement of the study de-  
11 scribed under this section, and annually thereafter,  
12 the Secretary shall evaluate the progress of the  
13 study and report any short-term findings to the ap-  
14 propriate committees of Congress.

15 (2) FINAL REPORT.—Upon completion of the  
16 study described under this section, the Secretary  
17 shall prepare and submit a final report regarding  
18 the findings of the study to the appropriate commit-  
19 tees of Congress.

20 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
21 are authorized to be appropriated to carry out this section  
22 such sums as may be necessary for fiscal year 2015 and  
23 each of the 4 succeeding fiscal years.

24 **SEC. 1107. INSTITUTIONAL RISK-SHARING COMMISSION.**

25 (a) ESTABLISHMENT OF COMMISSION.—

1           (1) IN GENERAL.—The Secretary of Education  
2       shall establish an Institutional Risk-Sharing Com-  
3       mission (referred to in this section as the “Commis-  
4       sion”) whose members shall be selected by the Sec-  
5       retary and comprised of the following relevant stake-  
6       holders:

7           (A) 2 representatives of national or re-  
8       gional student advocacy organizations with a  
9       track record of engagement and expertise on  
10      issues related to college costs, consumer protec-  
11      tion, and institutional accountability and an al-  
12      ternate member.

13          (B) 1 student representative who is attend-  
14      ing an institution of higher education on the  
15      date of the selection and an alternate member.

16          (C) 1 member of the Bureau of Consumer  
17      Financial Protection with demonstrated knowl-  
18      edge of student loan borrowing and an alternate  
19      member.

20          (D) 2 administrative officers from different  
21      types of institutions of higher education and an  
22      alternate member.

23          (E) 1 higher education researcher and an  
24      alternate member.

1 (F) 1 State postsecondary education data  
2 system director and an alternate member.

3 (G) 1 representative from the National  
4 Center for Education Statistics and an alter-  
5 nate member.

6 (H) 1 representative from the Government  
7 Accountability Office and an alternate member.

8 (I) 1 representative from the Department  
9 of the Treasury and an alternate member.

10 (2) FUNCTIONS.—Each member selected under  
11 paragraph (1) shall participate for the purpose of  
12 determining agreement by majority vote on the Com-  
13 mission on the report and its contents described in  
14 paragraph (4). Each alternate member shall partici-  
15 pate for the purpose of determining the majority  
16 vote in the absence of the member. Either the mem-  
17 ber or an alternate member may speak during the  
18 negotiations. In the event that the Commission is  
19 unable to form agreement on the contents of the re-  
20 port by majority vote, the contents of the report  
21 shall be determined by a plurality vote.

22 (b) STUDY.—

23 (1) IN GENERAL.—Not later than 270 days  
24 after the date that all members of the Commission  
25 have been selected under subsection (a), the Com-

1 mission shall complete a study and develop rec-  
2 ommendations for implementation of a new risk-  
3 sharing system for institutions of higher education  
4 that participate in the Federal Direct Loan Program  
5 under part D of title IV of the Higher Education  
6 Act of 1965 (20 U.S.C. 1087a et seq.) through  
7 which institutions would be held financially account-  
8 able for poor student outcomes.

9 (2) CONTENT OF STUDY.—In conducting the  
10 study required under paragraph (1), the Commission  
11 shall, at a minimum, consider the following issues:

12 (A) Identifying an annual measure or set  
13 of measures for the risk-sharing system that  
14 would provide the most accurate assessment of  
15 an institution's level of success or failure at  
16 providing their students with basic educational  
17 outcomes, such as degree completion, ability to  
18 repay loans made, insured, or guaranteed under  
19 title IV of the Higher Education Act of 1965  
20 (20 U.S.C. 1070 et seq.), post-graduation em-  
21 ployment, and post-graduation earnings. Such  
22 possible measures may include cohort default  
23 rates, loan repayment rates, graduation rates,  
24 graduate earnings, and other measure that the  
25 Commission considers an accurate reflection of

1 student outcomes, regardless of the feasibility  
2 of access to the data required to implement col-  
3 lection of such measures.

4 (B) What specific metrics would require  
5 the lowest performing institutions to make an-  
6 nual payments into the risk-sharing system,  
7 and what metrics would exempt institutions  
8 from making an annual risk-sharing payment  
9 based on performance measures that exceeded a  
10 minimum level (which level would be identified  
11 by the Commission).

12 (C) How the payments for each institution  
13 should be calculated, including whether the use  
14 of a percentage of Federal Direct Loans dis-  
15 bursed the year prior to identification, the per-  
16 centage of loans in default, or any other cal-  
17 culation should be used.

18 (D) Whether a sliding scale of payments  
19 should be required of institutions based on their  
20 performance on the identified measures.

21 (E) Any legislative safeguards or mecha-  
22 nisms to ensure that an institution required to  
23 participate in the risk-sharing system would not  
24 pass any prospective costs directly or indirectly

1 onto students, or limit access to low-income stu-  
 2 dents.

3 (F) How an institution's level of access to  
 4 low-income students (such as measured by the  
 5 percentage of students enrolled at the institu-  
 6 tion who receive Federal Pell Grants under sub-  
 7 part 1 of part A of title IV of the Higher Edu-  
 8 cation Act of 1965 (20 U.S.C. 1070a et seq.))  
 9 and affordability (as measured by average net  
 10 price) should be considered in the risk-sharing  
 11 system.

12 (G) Specifying a means for the risk-shar-  
 13 ing system payments to go primarily towards  
 14 students in default, additional aid to low-income  
 15 students, or any other form of aid to student  
 16 borrowers most in need, including after degree  
 17 completion.

18 (H) Whether any extraordinary consider-  
 19 ation exists that warrants allowing a waiver  
 20 process through which a very limited number of  
 21 institutions would be eligible to apply for a  
 22 waiver from a risk-sharing payment on a yearly  
 23 basis, and under what conditions.

24 (3) OUTSIDE RECOMMENDATIONS.—As part of  
 25 the study required under paragraph (1), the Com-

1 mission shall develop a public process for soliciting  
2 recommendations for the risk-sharing system and  
3 shall consider these recommendations as part of the  
4 study. The Commission shall factor in any financial  
5 or other interests of any submitting party in weigh-  
6 ing and considering such recommendations.

7 (4) REPORT.—

8 (A) CONTENT.—Not later than 90 days  
9 after completing the study required under para-  
10 graph (1), the Commission shall issue, by ma-  
11 jority vote, or if unable to achieve a majority  
12 vote, then a plurality vote, a report regarding  
13 its recommendations for a risk-sharing system.  
14 The report shall include the following:

15 (i) A description of the Commission's  
16 findings as to the issues described in para-  
17 graph (2).

18 (ii) A data analysis using the Com-  
19 mission's recommended metrics that dem-  
20 onstrates how each institution of higher  
21 education that participates in the Federal  
22 Direct Loan Program under part D of title  
23 IV of the Higher Education Act of 1965  
24 (20 U.S.C. 1087a et seq.) as of the period  
25 of the Commission's study would fare

1 under the proposed risk-sharing system,  
2 including projections for the amounts of  
3 payments the lowest performing institu-  
4 tions would have to pay.

5 (iii) An evaluation of the feasibility  
6 and unintended consequences of imple-  
7 menting the recommended risk-sharing  
8 system, including any legislative or regu-  
9 latory action needed to implement such a  
10 system.

11 (B) AVAILABILITY.—The report described  
12 in subparagraph (A) shall be—

13 (i) provided to the Secretary of Edu-  
14 cation, the Committee on Health, Edu-  
15 cation, Labor, and Pensions of the Senate,  
16 and the Committee on Education and the  
17 Workforce of the House of Representa-  
18 tives; and

19 (ii) made publicly available.

20 (c) SECURING INFORMATION AND PRIVACY.—

21 (1) IN GENERAL.—Subject to paragraph (2),  
22 the Commission may secure directly from any Fed-  
23 eral department or agency such information as the  
24 Commission considers necessary to carry out its du-  
25 ties under this section. The Commission may request

1 the head of any State or local department or agency  
 2 to furnish such information to the Commission.

3 (2) PRIVACY.—Any Federal department or  
 4 agency, State or local department or agency, or in-  
 5 stitution of higher education in providing informa-  
 6 tion to the Commission under this section shall not  
 7 share any personally identifiable information and  
 8 shall act in accordance with section 444 of the Gen-  
 9 eral Education Provisions Act (20 U.S.C. 1232g,  
 10 commonly known as the “Family Educational Rights  
 11 and Privacy Act of 1974”).

12 **SEC. 1108. GAO REPORT ON EDUCATIONAL ATTAINMENT OF**  
 13 **HOMELESS CHILDREN AND YOUTH AND FOS-**  
 14 **TER CARE CHILDREN AND YOUTH.**

15 (a) DEFINITIONS.—In this section:

16 (1) FOSTER CARE CHILDREN AND YOUTH.—  
 17 The term “foster care children and youth” has the  
 18 meaning given the term in section 103 of the Higher  
 19 Education Act of 1965.

20 (2) HOMELESS CHILDREN AND YOUTH.—The  
 21 term “homeless children and youth” means children  
 22 and youth who lack a fixed, regular, and adequate  
 23 nighttime residence and includes—

24 (A) children and youth who—

1 (i) are sharing the housing of other  
2 persons due to loss of housing, economic  
3 hardship, or a similar reason;

4 (ii) are living in motels, hotels, trailer  
5 parks, or camping grounds due to the lack  
6 of alternative adequate accommodations;

7 (iii) are living in emergency or transi-  
8 tional shelters;

9 (iv) are abandoned in hospitals; or

10 (v) are awaiting foster care placement;

11 (B) children and youth who have a pri-  
12 mary nighttime residence that is a public or  
13 private place not designed for or ordinarily used  
14 as a regular sleeping accommodation for human  
15 beings;

16 (C) children and youth who are living in  
17 cars, parks, public spaces, abandoned buildings,  
18 substandard housing, bus or train stations, or  
19 similar settings; and

20 (D) migratory children (as such term is  
21 defined in section 1309 of the Elementary and  
22 Secondary Education Act of 1965 (20 U.S.C.  
23 6399)) who are living in circumstances de-  
24 scribed in subparagraph (A), (B), or (C).

1           (3) INSTITUTION OF HIGHER EDUCATION.—The  
2       term “institution of higher education” has the  
3       meaning given the term in section 102 of the Higher  
4       Education Act of 1965 (20 U.S.C. 1002).

5       (b) IN GENERAL.—Not later than 1 year after the  
6       date of enactment of this Act, the Comptroller General  
7       of the United States shall prepare and submit to the Com-  
8       mittee on Health, Education, Labor, and Pensions of the  
9       Senate and the Committee on Education and the Work-  
10      force of the House of Representatives a report on the edu-  
11      cational attainment of youth who are or have been home-  
12      less (including youth who are or have been homeless chil-  
13      dren and youth) and foster care children and youth.

14      (c) CONTENT.—The report described in subsection  
15      (b) shall contain a review and assessment of enrollment  
16      and completion data for both accompanied and unaccom-  
17      panied homeless children and youth and foster care chil-  
18      dren and youth, including the following:

19           (1) The percentage of such youth attending an  
20      institution of higher education.

21           (2) The percentage of such youth graduating  
22      from an institution of higher education.

23           (3) The average length of time taken to obtain  
24      an associate or baccalaureate degree.

25           (4) The percentage of such youth attending—

1 (A) a public institution of higher edu-  
2 cation;

3 (B) a private institution of higher edu-  
4 cation;

5 (C) a community college; and

6 (D) a 4-year institution of higher edu-  
7 cation.

8 (5) Reasons why such youth choose not to pur-  
9 sue a higher education.

10 (6) The availability of public and private tuition  
11 assistance specifically for such youth and the aware-  
12 ness among such youth of such tuition assistance.

13 (7) The availability of other public or private  
14 programs designed to encourage and support enroll-  
15 ment in, and completion of, higher education for  
16 such youth.

17 (8) Ways in which the Department of Edu-  
18 cation might increase the educational attainment  
19 rates of such youth.

20 **SEC. 1109. AMERICAN DREAM ACCOUNTS.**

21 (a) **SHORT TITLE.**—This section may be cited as the  
22 “American Dream Accounts Act”.

23 (b) **DEFINITIONS.**—In this section:

24 (1) **AMERICAN DREAM ACCOUNT.**—The term  
25 “American Dream Account” means a personal on-

1 line account for low-income students that monitors  
 2 higher education readiness and includes a college  
 3 savings account.

4 (2) APPROPRIATE COMMITTEES OF CON-  
 5 GRESS.—The term “appropriate committees of Con-  
 6 gress” means the Committee on Health, Education,  
 7 Labor, and Pensions, the Committee on Appropria-  
 8 tions, and the Committee on Finance of the Senate,  
 9 and the Committee on Education and the Work-  
 10 force, the Committee on Appropriations, and the  
 11 Committee on Ways and Means of the House of  
 12 Representatives, as well as any other Committee of  
 13 the Senate or House of Representatives that the  
 14 Secretary determines appropriate.

15 (3) CHARTER SCHOOL.—The term “charter  
 16 school” has the meaning given such term in section  
 17 5210 of the Elementary and Secondary Education  
 18 Act of 1965 (20 U.S.C. 7221i).

19 (4) COLLEGE SAVINGS ACCOUNT.—The term  
 20 “college savings account” means a savings account  
 21 that—

22 (A) provides some tax-preferred accumula-  
 23 tion;

24 (B) is widely available (such as Qualified  
 25 Tuition Programs under section 529 of the In-

1           ternal Revenue Code of 1986 or Coverdell Edu-  
2           cation Savings Accounts under section 530 of  
3           the Internal Revenue Code of 1986); and

4           (C) contains funds that may be used only  
5           for the costs associated with attending an insti-  
6           tution of higher education, including—

7                   (i) tuition and fees;

8                   (ii) room and board;

9                   (iii) textbooks;

10                  (iv) supplies and equipment; and

11                  (v) Internet access.

12           (5) DUAL ENROLLMENT PROGRAM.—The term  
13           “dual enrollment program” means a program of  
14           study—

15           (A) provided by an institution of higher  
16           education through which a student who has not  
17           graduated from secondary school with a regular  
18           high school diploma is able to earn secondary  
19           school credit and postsecondary credit that is  
20           accepted as credit towards a postsecondary de-  
21           gree or credential at no cost to the participant  
22           or the participant’s family; and

23           (B) that shall consist of not less than 2  
24           postsecondary credit-bearing courses and sup-

1 port and academic services that help a student  
 2 persist and complete such courses.

3 (6) EARLY COLLEGE HIGH SCHOOL.—The term  
 4 “early college high school program” means a formal  
 5 partnership between at least 1 local educational  
 6 agency and at least 1 institution of higher education  
 7 that allows students to simultaneously complete, as  
 8 part of an organized course of study, requirements  
 9 towards earning a regular high school diploma and  
 10 earning not less than 12 transferable postsecondary  
 11 credits that are accepted as credit towards a postsec-  
 12 ondary degree or credential at no cost to the partici-  
 13 pant or the participant’s family.

14 (7) ELIGIBLE ENTITY.—The term “eligible enti-  
 15 ty” means—

16 (A) a State educational agency;

17 (B) a local educational agency, including a  
 18 charter school that operates as its own local  
 19 educational agency;

20 (C) a charter management organization or  
 21 charter school authorizer;

22 (D) an institution of higher education;

23 (E) a nonprofit organization;

24 (F) an entity with demonstrated experience  
 25 in educational savings or in assisting low-in-

1           come students to prepare for, and attend, an in-  
2           stitution of higher education; or

3           (G) a consortium of 2 or more of the enti-  
4           ties described in subparagraphs (A) through  
5           (F).

6           (8) INSTITUTION OF HIGHER EDUCATION.—The  
7           term “institution of higher education” has the  
8           meaning given the term in section 101(a) of the  
9           Higher Education Act of 1965 (20 U.S.C. 1001(a)).

10          (9) LOCAL EDUCATIONAL AGENCY.—The term  
11          “local educational agency” has the meaning given  
12          such term in section 9101 of the Elementary and  
13          Secondary Education Act of 1965 (20 U.S.C. 7801).

14          (10) LOW-INCOME STUDENT.—The term “low-  
15          income student” means a student who is eligible to  
16          receive a free or reduced price lunch under the Rich-  
17          ard B. Russell National School Lunch Act (42  
18          U.S.C. 1751 et seq.).

19          (11) PARENT.—The term “parent” has the  
20          meaning given such term in section 9101 of the Ele-  
21          mentary and Secondary Education Act of 1965 (20  
22          U.S.C. 7801).

23          (12) SECRETARY.—The term “Secretary” has  
24          the meaning given such term in section 9101 of the

1 Elementary and Secondary Education Act of 1965  
2 (20 U.S.C. 7801).

3 (13) STATE EDUCATIONAL AGENCY.—The term  
4 “State educational agency” has the meaning given  
5 such term in section 9101 of the Elementary and  
6 Secondary Education Act of 1965 (20 U.S.C. 7801).

7 (c) GRANT PROGRAM.—

8 (1) PROGRAM AUTHORIZED.—The Secretary is  
9 authorized to award grants, on a competitive basis,  
10 to eligible entities to enable such eligible entities to  
11 establish and administer American Dream Accounts  
12 for a group of low-income students.

13 (2) RESERVATION.—From the amounts appro-  
14 priated each fiscal year to carry out this section, the  
15 Secretary shall reserve not more than 5 percent of  
16 such amount to carry out the evaluation activities  
17 described in subsection (f)(1).

18 (3) DURATION.—A grant awarded under this  
19 section shall be for a period of not more than 3  
20 years. The Secretary may extend such grant for an  
21 additional 2-year period if the Secretary determines  
22 that the eligible entity has demonstrated significant  
23 progress, based on the factors described in sub-  
24 section (d)(2)(K).

25 (d) APPLICATIONS; PRIORITY.—

1           (1) IN GENERAL.—Each eligible entity desiring  
2           a grant under this section shall submit an applica-  
3           tion to the Secretary at such time, in such manner,  
4           and containing such information as the Secretary  
5           may require.

6           (2) CONTENTS.—At a minimum, the applica-  
7           tion described in paragraph (1) shall include the fol-  
8           lowing:

9                   (A) A description of the characteristics of  
10                  a group of not less than 30 low-income public  
11                  school students who—

12                           (i) are, at the time of the application,  
13                           attending a grade not higher than grade 9;  
14                           and

15                           (ii) will, under the grant, receive an  
16                          American Dream Account.

17                   (B) A description of how the eligible entity  
18                  will engage, and provide support (such as tutor-  
19                  ing and mentoring for students, and training  
20                  for teachers and other stakeholders) either on-  
21                  line or in person, to—

22                           (i) the students in the group described  
23                           in subparagraph (A);

24                           (ii) the family members and teachers  
25                          of such students; and

1 (iii) other stakeholders such as school  
2 administrators and school counselors.

3 (C) An identification of partners who will  
4 assist the eligible entity in establishing and sus-  
5 taining American Dream Accounts.

6 (D) A description of what experience the  
7 eligible entity or the partners of the eligible en-  
8 tity have in managing college savings accounts,  
9 preparing low-income students for postsec-  
10 ondary education, managing online systems,  
11 and teaching financial literacy.

12 (E) A demonstration that the eligible enti-  
13 ty has sufficient resources to provide an initial  
14 deposit into the college savings account portion  
15 of each American Dream Account.

16 (F) A description of how the eligible entity  
17 will help increase the value of the college sav-  
18 ings account portion of each American Dream  
19 Account, such as by providing matching funds  
20 or incentives for academic achievement.

21 (G) A description of how the eligible entity  
22 will notify each participating student in the  
23 group described in subparagraph (A), on a  
24 semiannual basis, of the current balance and

1 status of the college savings account portion of  
2 the American Dream Account of the student.

3 (H) A plan that describes how the eligible  
4 entity will monitor participating students in the  
5 group described in subparagraph (A) to ensure  
6 that the American Dream Account of each stu-  
7 dent will be maintained if a student in such  
8 group changes schools before graduating from  
9 secondary school.

10 (I) A plan that describes how the Amer-  
11 ican Dream Accounts will be managed for not  
12 less than 1 year after a majority of the students  
13 in the group described in subparagraph (A)  
14 graduate from secondary school.

15 (J) A description of how the eligible entity  
16 will encourage students in the group described  
17 in subparagraph (A) who fail to graduate from  
18 secondary school to continue their education.

19 (K) A description of how the eligible entity  
20 will evaluate the grant program, including by  
21 collecting, as applicable, the following data  
22 about the students in the group described in  
23 subparagraph (A) during the grant period, or  
24 until the time of graduation from a secondary  
25 school, whichever comes first, and, if sufficient

grant funds are available, after the grant period:

(i) Attendance rates.

(ii) Progress reports.

(iii) Grades and course selections.

(iv) The student graduation rate, as defined in section 1111(b)(2)(C)(vi) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(2)(C)(vi)).

(v) Rates of student completion of the Free Application for Federal Student Aid described in section 483 of the Higher Education Act of 1965 (20 U.S.C. 1090).

(vi) Rates of enrollment in an institution of higher education.

(vii) Rates of completion at an institution of higher education.

(L) A description of what will happen to the funds in the college savings account portion of the American Dream Accounts that are dedicated to participating students described in subparagraph (A) who have not matriculated at an institution of higher education at the time of the conclusion of the period of American Dream Account management described in subpara-

1 graph (I), including how the eligible entity will  
 2 give students this information.

3 (M) A description of how the eligible entity  
 4 will ensure that funds in the college savings ac-  
 5 count portion of the American Dream Accounts  
 6 will not make families ineligible for public as-  
 7 sistance.

8 (N) A description of how the eligible entity  
 9 will ensure that participating students described  
 10 in subparagraph (A) will have access to the  
 11 Internet.

12 (3) PRIORITY.—In awarding grants under this  
 13 section, the Secretary shall give priority to applica-  
 14 tions from eligible entities that—

15 (A) are described in subsection (b)(7)(G);

16 (B) serve the largest number of low-income  
 17 students;

18 (C) in the case of an eligible entity de-  
 19 scribed in subparagraph (A) or (B) of sub-  
 20 section (b)(7), provide opportunities for partici-  
 21 pating students described in paragraph (2)(A)  
 22 to participate in a dual enrollment program or  
 23 early college high school program at no cost to  
 24 the student; or

1 (D) as of the time of application, have  
 2 been awarded a grant under chapter 2 of sub-  
 3 part 2 of part A of title IV of the Higher Edu-  
 4 cation Opportunity Act (20 U.S.C. 1070a–21 et  
 5 seq.) (commonly referred to as the “GEAR UP  
 6 program”).

7 (e) AUTHORIZED ACTIVITIES.—

8 (1) IN GENERAL.—An eligible entity that re-  
 9 ceives a grant under this section shall use such  
 10 grant funds to establish an American Dream Ac-  
 11 count for each participating student described in  
 12 subsection (d)(2)(A), that will be used to—

13 (A) open a college savings account for such  
 14 student;

15 (B) monitor the progress of such student  
 16 online, which—

17 (i) shall include monitoring student  
 18 data relating to—

19 (I) grades and course selections;

20 (II) progress reports; and

21 (III) attendance and disciplinary  
 22 records; and

23 (ii) may also include monitoring stu-  
 24 dent data relating to a broad range of in-  
 25 formation, provided by teachers and family

members, related to postsecondary education readiness, access, and completion;

(C) provide opportunities for such students, either online or in person, to learn about financial literacy, including by assisting such students in financial planning for enrollment in an institution of higher education; and

(D) provide opportunities for such students, either online or in person, to identify skills or interests, including career interests.

(2) ACCESS TO AMERICAN DREAM ACCOUNT.—

(A) IN GENERAL.—Subject to subparagraphs (C) and (D), and in accordance with applicable Federal laws and regulations relating to privacy of information and the privacy of children, an eligible entity that receives a grant under this section shall allow vested stakeholders, as described in subparagraph (B), to have secure access, through an Internet website, to each American Dream Account.

(B) VESTED STAKEHOLDERS.—The vested stakeholders that an eligible entity shall permit to access an American Dream Account are individuals (such as the student’s teachers, school counselors, school administrators, or other indi-

viduals) that are designated, in accordance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g, commonly known as the “Family Educational Rights and Privacy Act of 1974”), by the parent of a participating student in whose name such American Dream Account is held, as having permission to access the account. A student’s parent may withdraw such designation from an individual at any time.

(C) EXCEPTION FOR COLLEGE SAVINGS ACCOUNT.—An eligible entity that receives a grant under this section shall not be required to give vested stakeholders, as described in subparagraph (B), access to the college savings account portion of a student’s American Dream Account.

(D) ADULT STUDENTS.—Notwithstanding subparagraphs (A), (B), and (C), if a participating student is age 18 or older, an eligible entity that receives a grant under this section shall not provide access to such participating student’s American Dream Account without the student’s consent, in accordance with section 444 of the General Education Provisions Act

(20 U.S.C. 1232g, commonly known as the “Family Educational Rights and Privacy Act of 1974”).

(E) INPUT OF STUDENT INFORMATION.—

Student data collected pursuant to paragraph (1)(B)(i) shall be entered into an American Dream Account only by a school administrator or the designee of such administrator.

(3) PROHIBITION ON USE OF STUDENT INFORMATION.—

An eligible entity that receives a grant under this section shall not use any student-level information or data for the purpose of soliciting, advertising, or marketing any financial or non-financial consumer product or service that is offered by such eligible entity, or on behalf of any other person.

(4) PROHIBITION ON THE USE OF GRANT FUNDS.—

An eligible entity shall not use grant funds provided under this section to provide the initial deposit into a college savings account portion of a student’s American Dream Account.

(f) REPORTS AND EVALUATIONS.—

(1) IN GENERAL.—

Not later than 1 year after the Secretary has disbursed grants under this section, and annually thereafter until each grant disbursed under subsection (c) has ended, the Secretary

1 shall prepare and submit a report to the appropriate  
2 committees of Congress, which shall include an eval-  
3 uation of the effectiveness of the grant program es-  
4 tablished under this section.

5 (2) CONTENTS.—The report described in para-  
6 graph (1) shall—

7 (A) list the grants that have been awarded  
8 under subsection (c)(1);

9 (B) include the number of students who  
10 have an American Dream Account established  
11 through a grant awarded under subsection  
12 (c)(1);

13 (C) provide data (including the interest ac-  
14 crued on college savings accounts that are part  
15 of an American Dream Account) in the aggre-  
16 gate, regarding students who have an American  
17 Dream Account established through a grant  
18 awarded under subsection (c)(1), as compared  
19 to similarly situated students who do not have  
20 an American Dream Account;

21 (D) identify best practices developed by the  
22 eligible entities receiving grants under this sec-  
23 tion;

1 (E) identify any issues related to student  
 2 privacy and stakeholder accessibility to Amer-  
 3 ican Dream Accounts;

4 (F) provide feedback from participating  
 5 students and the parents of such students  
 6 about the grant program, including—

7 (i) the impact of the program;

8 (ii) aspects of the program that are  
 9 successful;

10 (iii) aspects of the program that are  
 11 not successful; and

12 (iv) any other data required by the  
 13 Secretary; and

14 (G) provide recommendations for expand-  
 15 ing the American Dream Accounts program.

16 (g) ELIGIBILITY TO RECEIVE FEDERAL STUDENT  
 17 FINANCIAL AID.—Notwithstanding any other provision of  
 18 law, any funds that are in the college savings account por-  
 19 tion of a student’s American Dream Account shall not af-  
 20 fect such student’s eligibility to receive Federal student  
 21 financial aid, including any Federal student financial aid  
 22 under the Higher Education Act of 1965 (20 U.S.C. 1001  
 23 et seq.), and shall not be considered in determining the  
 24 amount of any such Federal student aid.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—To carry  
 2 out this section, there are authorized to be appropriated  
 3 such sums as may be necessary for fiscal year 2015 and  
 4 each of the 4 succeeding fiscal years.

5 **SEC. 1110. STUDY ON THE IMPACT OF FEDERAL FINANCIAL**  
 6 **AID CHANGES ON GRADUATE STUDENTS.**

7 (a) IN GENERAL.—Not later than 1 year after the  
 8 date of enactment of this Act, the Secretary of Education,  
 9 acting through the Director of the Institute of Education  
 10 Sciences, shall begin conducting a study of the impact of  
 11 recent policy changes to title IV of the Higher Education  
 12 Act of 1965 on graduate students.

13 (b) PURPOSE.—The purpose of the study is to exam-  
 14 ine the effects of significant changes in Federal student  
 15 financial aid policy on access, affordability, and labor mar-  
 16 ket outcomes for graduate students. The study shall in-  
 17 clude an exploration of the impact of the following signifi-  
 18 cant changes:

19 (1) The authorization of PLUS Loans for grad-  
 20 uate students.

21 (2) The elimination of Federal Direct Stafford  
 22 Loans for graduate students.

23 (3) The increase in origination fees due to the  
 24 sequestration order issued under the Balanced

1 Budget and Emergency Deficit Control Act of 1985  
2 (2 U.S.C. 900 et seq.) for fiscal year 2013.

3 (4) Differentiation in interest rates between un-  
4 dergraduate and graduate Federal Direct Unsub-  
5 sidized Stafford loans.

6 (5) Changes to the income-based repayment  
7 plan described under section 493C (20 U.S.C.  
8 1098e).

9 (c) CONTENTS.—The study shall include—

10 (1) information about the effects of the changes  
11 described in subsection (b) on graduate students,  
12 disaggregated by the student's age, race, ethnicity,  
13 gender, income, status as an individual with a dis-  
14 ability, and type of institution of higher education  
15 that the graduate student attended for such stu-  
16 dent's graduate program (including 2-year or 4-year  
17 institution of higher education, public or private in-  
18 stitution of higher education, and proprietary or  
19 nonprofit institution of higher education); and

20 (2) an examination of the effects of the changes  
21 described in subsection (b) on—

22 (A) changes in graduate enrollment pat-  
23 terns (such as increases or decreases in enroll-  
24 ment);

1 (B) net tuition and fees for graduate stu-  
2 dents;

3 (C) the aggregate amount of Federal stu-  
4 dent loan debt resulting from graduate edu-  
5 cation, as a whole and disaggregated by each  
6 type of Federal loan under title IV;

7 (D) the median level of individual student  
8 loan debt that is the result of graduate edu-  
9 cation (ensuring that the amount of under-  
10 graduate student loan debt is distinguished  
11 from the amount of graduate student loan  
12 debt);

13 (E) default rates, and the range of  
14 amounts of unpaid debt, for title IV loans for  
15 graduate students;

16 (F) the use of each type of loan repayment  
17 plan under title IV, including income-based re-  
18 payment, and the median level of graduate stu-  
19 dent debt for individuals in each repayment  
20 plan;

21 (G) the number of individuals who have a  
22 graduate degree that enter public service jobs;

23 (H) the level of total educational debt for  
24 graduate students, including Federal student  
25 loans and private education loans;

1 (I) the correlation between high graduate  
2 student debt levels and household consumption  
3 (including the purchasing of homes and auto-  
4 mobiles) and retirement savings; and

5 (J) such other factors as the Secretary  
6 may determine;

7 (3) an analysis of how the effects of the  
8 changes described in subsection (b) differ according  
9 to—

10 (A) whether an individual was or is attend-  
11 ing graduate school on a full-time or part-time  
12 basis; and

13 (B) whether an individual has or is pur-  
14 suing a master's degree, a doctorate research  
15 degree, or a doctorate professional practice de-  
16 gree;

17 (4) a detailed explanation of the impact of such  
18 changes on students who were eligible for a Federal  
19 Pell Grant as an undergraduate student, women,  
20 and traditionally underrepresented populations; and

21 (5) policy recommendations designed to improve  
22 access, affordability, and labor market outcomes for  
23 graduate students.

24 (d) REPORTS.—

1           (1) INTERIM REPORTS.—Not later than 18  
2       months after the commencement of the study de-  
3       scribed under this section, and annually thereafter,  
4       the Secretary shall evaluate the progress of the  
5       study and report any short-term findings to the ap-  
6       propriate committees of Congress.

7           (2) FINAL REPORT.—Upon completion of the  
8       study described under this section, the Secretary  
9       shall prepare and submit a final report regarding  
10      the findings of the study to the appropriate commit-  
11      tees of Congress.

12      (e) AUTHORIZATION OF APPROPRIATIONS.—There  
13   are authorized to be appropriated to carry out this section  
14   such sums as may be necessary for fiscal year 2015 and  
15   each of the 4 succeeding fiscal years.

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