

115TH CONGRESS
2D SESSION

S. 2984

To amend the Higher Education Act of 1965 to provide greater access to higher education for America’s students, to eliminate educational barriers for participation in a public service career, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 24, 2018

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

A BILL

To amend the Higher Education Act of 1965 to provide greater access to higher education for America’s students, to eliminate educational barriers for participation in a public service career, 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 “Strengthening Amer-
5 ican Communities Act of 2018”.

6 **SEC. 2. PURPOSE.**

7 It is the purpose of this Act to provide greater access
8 to higher education for America’s students, to eliminate

1 educational barriers for participation in a public service
2 career by providing an opportunity for potential public
3 servants to obtain an undergraduate education, and to es-
4 tablish an accelerated form of the public service loan for-
5 giveness program for more immediate loan forgiveness for
6 existing public servants holding Federal Direct Stafford
7 Loans, Federal Direct Unsubsidized Stafford Loans, and
8 Federal Direct PLUS Loans.

9 **TITLE I—AMERICA’S COLLEGE**
10 **PROMISE**

11 **SEC. 101. SHORT TITLE.**

12 This title may be cited as the “America’s College
13 Promise Act of 2018”.

14 **SEC. 102. PURPOSE.**

15 The purpose of this title is to help all individuals of
16 the United States earn the education and skills the indi-
17 viduals need—

18 (1) by making 2 years of community college
19 free, through a new partnership with States and In-
20 dian Tribes to help the States and Indian Tribes—

21 (A) waive resident community college tui-
22 tion and fees for eligible students;

23 (B) maintain State and Indian Tribe sup-
24 port for higher education; and

1 (C) promote key reforms to improve stu-
2 dent outcomes; and

3 (2) through a new partnership with minority-
4 serving institutions to—

5 (A) encourage eligible students to enroll
6 and successfully complete a baccalaureate de-
7 gree at participating institutions; and

8 (B) promote key reforms to improve stu-
9 dent outcomes.

10 **Subtitle A—STATE AND INDIAN**
11 **TRIBE GRANTS FOR COMMU-**
12 **NITY COLLEGES**

13 **SEC. 111. IN GENERAL.**

14 From amounts appropriated under section 117(a) for
15 any fiscal year, the Secretary shall award grants to eligible
16 States and Indian Tribes to pay the Federal share of ex-
17 penditures needed to carry out the activities and services
18 described in section 115.

19 **SEC. 112. FEDERAL SHARE; NON-FEDERAL SHARE.**

20 (a) FEDERAL SHARE.—

21 (1) FORMULA.—Subject to paragraph (2), the
22 Federal share of a grant under this subtitle shall be
23 based on a formula, determined by the Secretary,
24 that—

1 (A) accounts for the State or Indian
2 Tribe's share of eligible students; and

3 (B) provides, for each eligible student in
4 the State or Indian Tribe, a per-student
5 amount that is—

6 (i) not less than 300 percent of the
7 per-student amount of the State or Indian
8 Tribe share, determined under subsection
9 (b), subject to clause (ii); and

10 (ii) not greater than 75 percent of—

11 (I) for the 2018–2019 award
12 year, the average resident community
13 college tuition and fees per student in
14 all States for the most recent year for
15 which data are available; and

16 (II) for each subsequent award
17 year, the average resident community
18 college tuition and fees per student in
19 all States calculated under this sub-
20 clause for the preceding year, in-
21 creased by the lesser of—

22 (aa) the percentage by which
23 the average resident community
24 college tuition and fees per stu-
25 dent in all States for the most re-

1 cent year for which data are
2 available increased as compared
3 to such average for the preceding
4 year; or

5 (bb) 3 percent.

6 (2) EXCEPTION FOR CERTAIN INDIAN
7 TRIBES.—In any case in which not less than 75 per-
8 cent of the students at the community colleges oper-
9 ated or controlled by an Indian Tribe are low-income
10 students, the amount of the Federal share for such
11 Indian Tribe shall be not less than 95 percent of the
12 total amount needed to waive tuition and fees for all
13 eligible students enrolled in such community col-
14 leges.

15 (b) STATE OR TRIBAL SHARE.—

16 (1) FORMULA.—

17 (A) IN GENERAL.—The State or Tribal
18 share of a grant under this subtitle for each fis-
19 cal year shall be the amount needed to pay 25
20 percent of the average community college resi-
21 dent tuition and fees per student in all States
22 in the 2018–2019 award year for all eligible
23 students in the State or Indian Tribe, respec-
24 tively, for such fiscal year, except as provided in
25 subparagraph (B).

1 (B) EXCEPTION FOR CERTAIN INDIAN
2 TRIBES.—In a case in which not less than 5
3 percent of the students at the community col-
4 leges operated or controlled by an Indian Tribe
5 are low-income students, the amount of such
6 Indian Tribe’s tribal share shall not exceed 5
7 percent of the total amount needed to waive tui-
8 tion and fees for all eligible students enrolled in
9 such community colleges.

10 (2) NEED-BASED AID.—A State or Indian Tribe
11 may include any need-based financial aid provided
12 through State or Tribal funds to eligible students as
13 part of the State or Tribal share.

14 (3) NO IN-KIND CONTRIBUTIONS.—A State or
15 Indian Tribe shall not include in-kind contributions
16 for purposes of the State or Tribal share described
17 in paragraph (1).

18 **SEC. 113. ELIGIBILITY.**

19 To be eligible for a grant under this subtitle, a State
20 or Indian Tribe shall agree to waive community college
21 resident tuition and fees for all eligible students for each
22 year of the grant.

23 **SEC. 114. APPLICATIONS.**

24 (a) SUBMISSION.—For each fiscal year for which a
25 State or Indian Tribe desires a grant under this subtitle,

1 an application shall be submitted to the Secretary at such
2 time, in such manner, and containing such information as
3 the Secretary may require. Such application shall be sub-
4 mitted by—

5 (1) in the case of a State, the Governor, the
6 State agency with jurisdiction over higher education,
7 or another agency designated by the Governor to ad-
8 minister the program under this subtitle; or

9 (2) in the case of an Indian Tribe, the gov-
10 erning body of such Tribe.

11 (b) CONTENTS.—Each State or Indian Tribe applica-
12 tion shall include, at a minimum—

13 (1) an estimate of the number of eligible stu-
14 dents in the State or Indian Tribe and the cost of
15 waiving community college resident tuition and fees
16 for all eligible students for each fiscal year covered
17 by the grant, with annual increases of an amount
18 that shall not exceed 3 percent of the prior year's
19 average resident community college tuition and fees;

20 (2) an assurance that all community colleges in
21 the State or under the jurisdiction of the Indian
22 Tribe, respectively, will waive resident tuition and
23 fees for eligible students in programs that are—

24 (A) academic programs with credits that
25 can fully transfer via articulation agreement to—

1 ward a baccalaureate degree or post-
2 baccalaureate degree at any public institution of
3 higher education in the State; or

4 (B) occupational skills training programs
5 that lead to a recognized postsecondary creden-
6 tial that is in an in-demand industry sector or
7 occupation in the State;

8 (3) a description of the promising and evidence-
9 based institutional reforms and innovative practices
10 to improve student outcomes, including completion
11 or transfer rates, that have been or will be adopted
12 by the participating community colleges, such as—

13 (A) providing comprehensive academic and
14 student support services, including mentoring
15 and advising, especially for low-income, first-
16 generation, adult, and other underrepresented
17 students;

18 (B) providing accelerated learning opportu-
19 nities, such as dual or concurrent enrollment
20 programs, including early college high school
21 programs;

22 (C) advancing competency-based education;

23 (D) strengthening remedial education, es-
24 pecially for low-income, first-generation, adult
25 and other underrepresented students;

1 (E) implementing course redesigns of high-
2 enrollment courses to improve student outcomes
3 and reduce cost; or

4 (F) utilizing career pathways or degree
5 pathways;

6 (4) a description of how the State or Indian
7 Tribe will promote alignment between its public sec-
8 ondary school and postsecondary education systems,
9 including between 2-year and 4-year public institu-
10 tions of higher education and with minority-serving
11 institutions described in section 371(a) of the High-
12 er Education Act of 1965 (20 U.S.C. 1067q(a)), to
13 expand awareness of and access to postsecondary
14 education, reduce the need for remediation and re-
15 peated coursework, and improve student outcomes;

16 (5) a description of how the State or Indian
17 Tribe will ensure that programs leading to a recog-
18 nized postsecondary credential meet the quality cri-
19 teria established by the State under section 123(a)
20 of the Workforce Innovation and Opportunity Act
21 (29 U.S.C. 3153(a)) or other quality criteria deter-
22 mined appropriate by the State or Indian Tribe;

23 (6) an assurance that all participating commu-
24 nity colleges in the State or under the authority of
25 the Indian Tribe have entered into program partici-

1 pation agreements under section 487 of the Higher
2 Education Act of 1965 (20 U.S.C. 1094); and

3 (7) an assurance that, for each year of the
4 grant, the State or Indian Tribe will notify each eli-
5 gible student of the student's remaining eligibility
6 for assistance under this subtitle.

7 **SEC. 115. ALLOWABLE USES OF FUNDS.**

8 (a) IN GENERAL.—A State or Indian Tribe shall use
9 a grant under this subtitle only to provide funds to partici-
10 pating community colleges to waive resident tuition and
11 fees for eligible students who are enrolled in—

12 (1) academic programs with credits that can
13 fully transfer via articulation agreement toward a
14 baccalaureate degree or postbaccalaureate degree at
15 any public institution of higher education in the
16 State; or

17 (2) occupational skills training programs that
18 lead to a recognized postsecondary credential that is
19 in an in-demand industry sector or occupation in the
20 State.

21 (b) ADDITIONAL USES.—If a State or Indian Tribe
22 demonstrates to the Secretary that it has grant funds re-
23 maining after meeting the demand for activities described
24 in subsection (a), the State or Indian Tribe may use those
25 funds to carry out one or more of the following:

1 (1) Expanding the waiver of resident tuition
2 and fees at community college to students who are
3 returning students or otherwise not enrolling in
4 postsecondary education for the first time, and who
5 meet the student eligibility requirements of clauses
6 (i) through (v) of section 116(5)(A).

7 (2) Expanding the scope and capacity of high-
8 quality academic and occupational skills training
9 programs at community colleges.

10 (3) Improving postsecondary education readi-
11 ness in the State or Indian Tribe, through outreach
12 and early intervention.

13 (4) Expanding access to dual or concurrent en-
14 rollment programs, including early college high
15 school programs.

16 (5) Improving affordability at 4-year public and
17 private, nonprofit institutions of higher education.

18 (c) USE OF FUNDS FOR ADMINISTRATIVE PUR-
19 POSES.—A State or Indian Tribe that receives a grant
20 under this subtitle may not use any funds provided under
21 this subtitle for administrative purposes relating to the
22 grant under this subtitle.

23 (d) MAINTENANCE OF EFFORT REQUIRED.—

1 (1) IN GENERAL.—A State or Indian Tribe that
2 receives a grant under this subtitle shall provide,
3 with respect to a fiscal year—

4 (A) for public and private, nonprofit insti-
5 tutions of higher education in such State or In-
6 dian tribe an amount that is equal to or greater
7 than the amount provided for non-capital and
8 non-direct research and development expenses
9 or costs by such State or Indian tribe to such
10 institutions of higher education during the pre-
11 ceeding fiscal year for which satisfactory data
12 are available; and

13 (B) for student financial aid for paying
14 costs associated with public and private, non-
15 profit postsecondary education in such State or
16 Indian tribe an amount that is equal to or
17 greater than the amount provided for student
18 financial aid for paying costs associated with
19 public and private, nonprofit postsecondary
20 education by such State or Indian tribe in the
21 preceding fiscal year for which satisfactory data
22 are available.

23 (2) ADJUSTMENTS FOR BIENNIAL APPROPRIA-
24 TIONS.—The Secretary shall take into consideration
25 any adjustments to the calculations under paragraph

1 (1) that may be required to accurately reflect fund-
2 ing levels in States or Indian tribes with biennial ap-
3 propriation cycles.

4 (3) WAIVER.—The Secretary shall waive the re-
5 quirements of paragraph (1) if the Secretary deter-
6 mines that such a waiver would be equitable due to
7 exceptional or uncontrollable circumstances, such as
8 a natural disaster or a precipitous and unforeseen
9 decline in the financial resources of a State or In-
10 dian tribe, as appropriate.

11 (4) VIOLATION OF MAINTENANCE OF EF-
12 FORT.—Notwithstanding any other provision of law,
13 the Secretary shall withhold from any State or In-
14 dian tribe that violates paragraph (1) and does not
15 receive a waiver pursuant to paragraph (3) any
16 amount that would otherwise be available to the
17 State or Indian tribe under this Act until such State
18 or Indian tribe has made significant efforts to cor-
19 rect such violation.

20 (e) ANNUAL REPORT.—

21 (1) IN GENERAL.—A State or Indian Tribe re-
22 ceiving a grant under this subtitle shall submit an
23 annual report to the Secretary describing the uses of
24 grant funds under this subtitle, the progress made
25 in fulfilling the requirements of the grant, and rates

1 of graduation, transfer and attainment of recognized
2 postsecondary credentials at participating commu-
3 nity colleges, and including any other information as
4 the Secretary may require.

5 (2) INCLUSION IN HEA ANNUAL REPORT.—At
6 the discretion of the Secretary, the information re-
7 quired in the report under paragraph (1) may be in-
8 cluded in an annual report on higher education re-
9 quired under the Higher Education Act of 1965 (20
10 U.S.C. 1001 et seq.).

11 (f) REPORTING BY SECRETARY.—The Secretary an-
12 nually shall—

13 (1) compile and analyze the information de-
14 scribed in subsection (e); and

15 (2) prepare and submit a report to the Com-
16 mittee on Health, Education, Labor, and Pensions
17 of the Senate and the Committee on Education and
18 the Workforce of the House of Representatives con-
19 taining the analysis described in paragraph (1) and
20 an identification of State and Indian Tribe best
21 practices for achieving the purpose of this subtitle.

22 (g) TECHNICAL ASSISTANCE.—The Secretary shall
23 provide technical assistance to eligible States and Indian
24 Tribes concerning best practices regarding the promising
25 and evidence-based institutional reforms and innovative

1 practices to improve student outcomes as described in sec-
2 tion 114(b)(3) and shall disseminate such best practices
3 among the States and Indian Tribes.

4 (h) CONTINUATION OF FUNDING.—

5 (1) IN GENERAL.—A State or Indian Tribe re-
6 ceiving a grant under this subtitle for a fiscal year
7 may continue to receive funding under this title for
8 future fiscal years conditioned on the availability of
9 budget authority and on meeting the requirements
10 of the grant, as determined by the Secretary.

11 (2) DISCONTINUATION.—The Secretary may
12 discontinue funding of the Federal share of a grant
13 under this subtitle if the State or Indian Tribe has
14 violated the terms of the grant or is not making ade-
15 quate progress in implementing the reforms de-
16 scribed in the application submitted under section
17 114.

18 **SEC. 116. DEFINITIONS.**

19 In this subtitle:

20 (1) CAREER PATHWAY.—The term “career
21 pathway” has the meaning given the term in section
22 3 of the Workforce Innovation and Opportunity Act
23 (29 U.S.C. 3102).

24 (2) COMMUNITY COLLEGE.—The term “commu-
25 nity college” means a public institution of higher

1 education at which the highest degree that is pre-
2 dominantly awarded to students is an associate's de-
3 gree, including 2-year tribally controlled colleges
4 under section 316 of the Higher Education Act of
5 1965 (20 U.S.C. 1059c) and public 2-year State in-
6 stitutions of higher education.

7 (3) DUAL OR CONCURRENT ENROLLMENT PRO-
8 GRAM.—The term “dual or concurrent enrollment
9 program” has the meaning given the term in section
10 8101 of the Elementary and Secondary Education
11 Act of 1965 (20 U.S.C. 7801).

12 (4) EARLY COLLEGE HIGH SCHOOL.—The term
13 “early college high school” has the meaning given
14 the term in section 8101 of the Elementary and Sec-
15 ondary Education Act of 1965 (20 U.S.C. 7801).

16 (5) ELIGIBLE STUDENT.—

17 (A) DEFINITION.—The term “eligible stu-
18 dent” means a student who—

19 (i)(I) enrolls in a community college
20 after the date of enactment of this Act; or

21 (II) is enrolled in a community college
22 as of the date of enactment of this Act;

23 (ii) attends the community college on
24 not less than a half-time basis;

1 (iii) is maintaining satisfactory
2 progress, as defined in section 484(c) of
3 the Higher Education Act of 1965 (20
4 U.S.C. 1091(c)), in the student's course of
5 study;

6 (iv) qualifies for resident tuition, as
7 determined by the State or Indian Tribe;
8 and

9 (v) is enrolled in an eligible program
10 described in section 114(b)(2).

11 (B) SPECIAL RULE.—An otherwise eligible
12 student shall lose eligibility 3 calendar years
13 after first receiving benefits under this subtitle.

14 (6) IN-DEMAND INDUSTRY SECTOR OR OCCUPA-
15 TION.—The term “in-demand industry sector or oc-
16 cupation” has the meaning given the term in section
17 3 of the Workforce Innovation and Opportunity Act
18 (29 U.S.C. 3102).

19 (7) INDIAN TRIBE.—The term “Indian Tribe”
20 has the meaning given the term (without regard to
21 capitalization) in section 102(2) of the Federally
22 Recognized Indian Tribe List Act of 1994 (25
23 U.S.C. 5130(2)).

24 (8) INSTITUTION OF HIGHER EDUCATION.—The
25 term “institution of higher education” has the

1 meaning given the term in section 101 of the Higher
2 Education Act of 1965 (20 U.S.C. 1001).

3 (9) RECOGNIZED POSTSECONDARY CREDEN-
4 TIAL.—The term “recognized postsecondary creden-
5 tial” has the meaning as described in section 3 of
6 the Workforce Innovation and Opportunity Act (29
7 U.S.C. 3102).

8 (10) SECRETARY.—The term “Secretary”
9 means the Secretary of Education.

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

13 **SEC. 117. APPROPRIATIONS.**

14 (a) AUTHORIZATION AND APPROPRIATIONS.—For
15 the purpose of making grants under this subtitle, there
16 are authorized to be appropriated, and there are appro-
17 priated—

18 (1) \$1,515,150,000 for fiscal year 2018;

19 (2) \$3,352,200,000 for fiscal year 2019;

20 (3) \$4,277,940,000 for fiscal year 2020;

21 (4) \$5,988,450,000 for fiscal year 2021;

22 (5) \$7,837,710,000 for fiscal year 2022;

23 (6) \$8,974,350,000 for fiscal year 2023;

24 (7) \$11,302,020,000 for fiscal year 2024;

25 (8) \$14,451,090,000 for fiscal year 2025;

1 (9) \$15,077,130,000 for fiscal year 2026; and

2 (10) \$15,729,810,000 for fiscal year 2027 and

3 each succeeding fiscal year.

4 (b) AVAILABILITY.—Funds appropriated under sub-
5 section (a) shall remain available to the Secretary until
6 expended.

7 (c) INSUFFICIENT FUNDS.—If the amount appro-
8 priated under subsection (a) for a fiscal year is not suffi-
9 cient to award each participating State and Indian Tribe
10 a grant under this subtitle that is equal to the minimum
11 amount of the Federal share described in section 112(a),
12 the Secretary may ratably reduce the amount of each such
13 grant or take other actions necessary to ensure an equi-
14 table distribution of such amount.

1 **Subtitle B—GRANTS TO HISTORI-**
2 **CALLY BLACK COLLEGES AND**
3 **UNIVERSITIES, HISPANIC-**
4 **SERVING INSTITUTIONS,**
5 **ASIAN AMERICAN AND NA-**
6 **TIVE AMERICAN PACIFIC IS-**
7 **LANDER-SERVING INSTITU-**
8 **TIONS, TRIBAL COLLEGES**
9 **AND UNIVERSITIES, ALASKA**
10 **NATIVE-SERVING INSTITU-**
11 **TIONS, NATIVE HAWAIIAN-**
12 **SERVING INSTITUTIONS, PRE-**
13 **DOMINANTLY BLACK INSTI-**
14 **TUTIONS, AND NATIVE AMER-**
15 **ICAN-SERVING NONTRIBAL**
16 **INSTITUTIONS**

17 **SEC. 121. PATHWAYS TO STUDENT SUCCESS FOR HISTORI-**
18 **CALLY BLACK COLLEGES AND UNIVERSITIES.**

19 (a) **IN GENERAL.**—From amounts appropriated
20 under section 124(a) for any fiscal year, the Secretary
21 shall award grants to participating 4-year historically
22 Black colleges or universities that meet the requirements
23 of subsection (b) to—

1 (1) encourage students to enroll and success-
2 fully complete a bachelor's degree at institutions eli-
3 gible under subsection (b);

4 (2) provide incentives to community college stu-
5 dents to transfer to institutions eligible under sub-
6 section (b) through strong transfer pathways to
7 complete a bachelor's degree program; and

8 (3) support institutions eligible under sub-
9 section (b) to better serve new and existing students
10 by engaging in reforms and innovations designed to
11 improve completion rates and other student out-
12 comes.

13 (b) ELIGIBILITY.—To be eligible to receive a grant
14 under the program under this section, an institution shall
15 be a historically Black college or university that—

16 (1) has a student body of which not less than
17 35 percent are low-income students;

18 (2) commits to maintaining or adopting and im-
19 plementing promising and evidence-based institu-
20 tional reforms and innovative practices to improve
21 the completion rates and other student outcomes,
22 such as—

23 (A) providing comprehensive academic and
24 student support services, including mentoring
25 and advising;

- 1 (B) providing accelerated learning opportu-
2 nities and degree pathways, such as dual or
3 concurrent enrollment programs and pathways
4 to graduate and professional degree programs;
- 5 (C) advancing distance and competency-
6 based education;
- 7 (D) partnering with employers, industry,
8 nonprofit associations, and other groups to pro-
9 vide opportunities to advance learning outside
10 the classroom, including work-based learning
11 opportunities such as internships or apprentice-
12 ships or programs designed to improve inter-
13 cultural development and personal growth, such
14 as foreign exchange and study abroad pro-
15 grams;
- 16 (E) reforming remedial education, espe-
17 cially for low-income students, first generation
18 college students, adult students, and other
19 underrepresented students; or
- 20 (F) implementing course redesigns of high-
21 enrollment courses to improve student outcomes
22 and reduce cost;
- 23 (3) sets performance goals for improving stu-
24 dent outcomes for the duration of the grant; and

1 (4) if receiving a grant for transfer students,
2 has articulation agreements with community colleges
3 at the national, State, or local level to ensure that
4 community college credits can fully transfer to the
5 institution.

6 (c) GRANT AMOUNT.—

7 (1) INITIAL AMOUNT.—For the first year that
8 an eligible institution, as described in subsection (b),
9 participates in the grant program under this section
10 and subject to paragraph (3), such eligible institu-
11 tion shall receive a grant in an amount based on the
12 product of—

13 (A) the actual cost of tuition and fees at
14 the eligible institution in such year (referred to
15 in this section as the per-student rebate); multi-
16 plied by

17 (B) the number of eligible students en-
18 rolled in the eligible institution for the pre-
19 ceding year.

20 (2) SUBSEQUENT INCREASES.—For each suc-
21 ceeding year after the first year of the grant pro-
22 gram under this section, each eligible institution, as
23 described in subsection (b), that participate in the
24 grant program shall receive a grant in the amount
25 determined under paragraph (1) for such year, ex-

1 cept that in no case shall the amount of the per-stu-
2 dent rebate for an eligible institution increase by
3 more than 3 percent as compared to the amount of
4 such rebate for the preceding year.

5 (3) LIMITATIONS.—

6 (A) MAXIMUM PER-STUDENT REBATE.—

7 No eligible institution, as described in sub-
8 section (b), participating in the grant program
9 under this section shall receive a per-student re-
10 bate amount for any year that is greater than
11 the national average of annual tuition and fees
12 at public 4-year institutions of higher education
13 for such year, as determined by the Secretary.

14 (B) FIRST YEAR TUITION AND FEES.—

15 During the first year of participation in the
16 grant program under this section, no eligible in-
17 stitution, as described in subsection (b), may in-
18 crease tuition and fees at a rate greater than
19 any annual increase at the eligible institution in
20 the previous 5 years.

21 (d) APPLICATION.—An eligible institution, as de-
22 scribed in subsection (b), that desires a grant under this
23 section shall submit an application to the Secretary at
24 such time, in such manner, and containing such informa-
25 tion as the Secretary may require.

1 (e) USE OF FUNDS.—Funds awarded under this sec-
 2 tion to an eligible institution, as described in subsection
 3 (b), shall be used to waive or significantly reduce tuition
 4 and fees for eligible students in an amount of not more
 5 than up to the annual per-student rebate amount for each
 6 student, for not more than the first 60 credits an eligible
 7 student enrolls in the eligible institution.

8 **SEC. 122. PATHWAYS TO STUDENT SUCCESS FOR HISPANIC-**
 9 **SERVING INSTITUTIONS, ASIAN AMERICAN**
 10 **AND NATIVE AMERICAN PACIFIC ISLANDER-**
 11 **SERVING INSTITUTIONS, TRIBAL COLLEGES**
 12 **AND UNIVERSITIES, ALASKA NATIVE-SERV-**
 13 **ING INSTITUTIONS, NATIVE HAWAIIAN-SERV-**
 14 **ING INSTITUTIONS, PREDOMINANTLY BLACK**
 15 **INSTITUTIONS, AND NATIVE AMERICAN-SERV-**
 16 **ING NONTRIBAL INSTITUTIONS.**

17 (a) IN GENERAL.—From amounts appropriated
 18 under section 124(a) for any fiscal year, the Secretary
 19 shall award grants to eligible 4-year minority-serving insti-
 20 tutions to—

21 (1) encourage students to enroll and success-
 22 fully complete a bachelor’s degree at institutions eli-
 23 gible under subsection (b);

24 (2) provide incentives to community college stu-
 25 dents to transfer to institutions eligible under sub-

1 section (b) through strong transfer pathways to
2 complete a bachelor's degree program; and

3 (3) support institutions eligible under sub-
4 section (b) to better serve new and existing students
5 by engaging in reforms and innovations designed to
6 improve completion rates and other student out-
7 comes.

8 (b) INSTITUTIONAL ELIGIBILITY.—To be eligible to
9 participate and receive a grant under this section, an insti-
10 tution shall be a minority-serving institution with respect
11 to which the majority of degrees awarded are bacca-
12 laurate degrees or higher that—

13 (1) has a student body of which not less than
14 35 percent are low-income students;

15 (2) commits to maintaining or adopting and im-
16 plementing promising and evidence-based institu-
17 tional reforms and innovative practices to improve
18 the completion rates and other student outcomes,
19 such as—

20 (A) providing comprehensive academic and
21 student support services, including mentoring
22 and advising;

23 (B) providing accelerated learning opportu-
24 nities and degree pathways, such as dual or

1 concurrent enrollment programs and pathways
2 to graduate and professional degree programs;

3 (C) advancing distance and competency-
4 based education;

5 (D) partnering with employers, industry,
6 nonprofit associations, and other groups to pro-
7 vide opportunities to advance learning outside
8 the classroom, including work-based learning
9 opportunities such as internships or apprentice-
10 ships or programs designed to improve inter-
11 cultural development and personal growth, such
12 as foreign exchange and study abroad pro-
13 grams;

14 (E) reforming remedial education, espe-
15 cially for low-income students, first generation
16 college students, adult students, and other
17 underrepresented students; and

18 (F) implementing course redesigns of high-
19 enrollment courses to improve student outcomes
20 and reduce cost;

21 (3) sets performance goals for improving stu-
22 dent outcomes for the duration of the grant; and

23 (4) if receiving a grant for transfer students,
24 has articulation agreements with community colleges
25 at the national, State, or local levels to ensure that

1 community college credits can fully transfer to the
2 institution.

3 (c) GRANT AMOUNT.—

4 (1) INITIAL AMOUNT.—For the first year that
5 an eligible institution, as described in subsection (b),
6 participates in the grant program under this section
7 and subject to paragraph (3), such eligible institu-
8 tion shall receive a grant in an amount based on the
9 product of—

10 (A) the actual cost of tuition and fees at
11 the eligible institution in such year (referred to
12 in this section as the per-student rebate); multi-
13 plied by

14 (B) the number of eligible students en-
15 rolled in the eligible institution for the pre-
16 ceding year.

17 (2) SUBSEQUENT INCREASES.—For each suc-
18 ceeding year after the first year of the grant pro-
19 gram under this section, each eligible institution, as
20 described in subsection (b), that participate in the
21 grant program shall receive a grant in the amount
22 determined under paragraph (1) for such year, ex-
23 cept that in no case shall the amount of the per-stu-
24 dent rebate increase by more than 3 percent as com-

1 pared to the amount of such rebate for the pre-
2 ceding year.

3 (3) LIMITATIONS.—

4 (A) MAXIMUM PER-STUDENT REBATE.—

5 No eligible institution, as described in sub-
6 section (b), participating in the grant program
7 under this section shall receive a per-student re-
8 bate amount for a grant year greater than the
9 national average of public 4-year institutional
10 tuition and fees, as determined by the Sec-
11 retary.

12 (B) FIRST YEAR TUITION AND FEES.—

13 During the first year of participation in the
14 grant program under this section, no eligible in-
15 stitution, as described in subsection (b), may in-
16 crease tuition and fees at a rate greater than
17 any annual increase made by the institution in
18 the previous 5 years.

19 (d) APPLICATION.—An eligible institution, as de-
20 scribed in subsection (b), shall submit an application to
21 the Secretary at such time, in such a manner, and con-
22 taining such information as determined by the Secretary.

23 (e) USE OF FUNDS.—Funds awarded under this sec-
24 tion to an eligible institution, as described in subsection
25 (b), shall be used to waive or significantly reduce tuition

1 and fees for eligible students in an amount of not more
2 than up to the annual per-student rebate amount for each
3 student, for not more than the first 60 credits an eligible
4 student enrolls in the eligible institution.

5 **SEC. 123. DEFINITIONS.**

6 In this subtitle:

7 (1) ELIGIBLE STUDENT.—

8 (A) DEFINITION.—The term “eligible stu-
9 dent” means a student, regardless of age,
10 who—

11 (i)(I) enrolls in a historically Black
12 college or university, or minority-serving
13 institution; or

14 (II) transfers from a community col-
15 lege into a historically Black college or uni-
16 versity, or minority-serving institution;

17 (ii) attends the historically Black col-
18 lege or university, or minority serving in-
19 stitution, on at least a half-time basis; and

20 (iii) is maintaining satisfactory
21 progress, as defined in section 484(c) of
22 the Higher Education Act of 1965 (20
23 U.S.C. 1091(c)), in the student’s course of
24 study.

1 (B) SPECIAL RULE.—An otherwise eligible
2 student shall lose eligibility 3 calendar years
3 after first receiving benefits under this subtitle.

4 (2) HISTORICALLY BLACK COLLEGE OR UNI-
5 VERSITY.—The term “historically Black college or
6 university” means a part B institution described in
7 section 322(2) of the Higher Education Act of 1965
8 (20 U.S.C. 1061(2)).

9 (3) LOW-INCOME STUDENT.—The term “low-in-
10 come student”—

11 (A) shall include any student eligible for a
12 Federal Pell Grant under section 401 of the
13 Higher Education Act of 1965 (20 U.S.C.
14 1070a); and

15 (B) may include a student ineligible for a
16 Federal Pell Grant under section 401 of the
17 Higher Education Act of 1965 (20 U.S.C.
18 1070a) who is determined by the institution of
19 higher education in which the student is en-
20 rolled to be a low-income student based on an
21 analysis of the student’s ability to afford the
22 cost of attendance at the institution.

23 (4) MINORITY-SERVING INSTITUTION.—The
24 term “minority-serving institution” means any pub-
25 lic or nonprofit institution of higher education—

1 (A) described in paragraphs (2) through
2 (7) of section 371(a) of the Higher Education
3 Act of 1965 (20 U.S.C. 1067q(a)); and

4 (B) designated as a minority-serving insti-
5 tution by the Secretary.

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

8 **SEC. 124. APPROPRIATIONS.**

9 (a) AUTHORIZATION AND APPROPRIATIONS FOR
10 HBCU AND MSI GRANTS.—For the purpose of carrying
11 out sections 121 and 122, there are authorized to be ap-
12 propriated, and there are appropriated—

- 13 (1) \$61,050,000 for fiscal year 2018;
14 (2) \$199,800,000 for fiscal year 2019;
15 (3) \$1,189,920,000 for fiscal year 2020;
16 (4) \$1,237,650,000 for fiscal year 2021;
17 (5) \$1,287,600,000 for fiscal year 2022;
18 (6) \$1,338,660,000 for fiscal year 2023;
19 (7) \$1,359,750,000 for fiscal year 2024;
20 (8) \$1,449,660,000 for fiscal year 2025;
21 (9) \$1,508,490,000 for fiscal year 2026; and
22 (10) \$1,569,540,000 for fiscal year 2027 and
23 each succeeding fiscal year.

1 (b) AVAILABILITY.—Funds appropriated under sub-
 2 section (a) are to remain available to the Secretary until
 3 expended.

4 (c) INSUFFICIENT FUNDS.—If the amount appro-
 5 priated under subsection (a) for a fiscal year is not suffi-
 6 cient to award each participating institution in the grant
 7 programs under sections 121 and 122 a grant under this
 8 subtitle that is equal to 100 percent of the grant amount
 9 determined under sections 121(c) and 122(c), as applica-
 10 ble, the Secretary may ratably reduce the amount of each
 11 such grant or take other actions necessary to ensure an
 12 equitable distribution of such amount.

13 **TITLE II—NATIONAL PUBLIC**
 14 **SERVICE EDUCATION GRANT**
 15 **PROGRAM**

16 **SEC. 201. NATIONAL PUBLIC SERVICE EDUCATION GRANT**
 17 **PROGRAM.**

18 Part A of title IV of the Higher Education Act of
 19 1965 (20 U.S.C. 1070 et seq.) is amended by adding at
 20 the end the following:

21 **“Subpart 11—National Public Service Education**
 22 **Grant Program**

23 **“SEC. 420T. NATIONAL PUBLIC SERVICE EDUCATION**
 24 **GRANT PROGRAM.**

25 “(a) DEFINITIONS.—In this section:

1 “(1) COST OF ATTENDANCE.—

2 “(A) IN GENERAL.—The term ‘cost of at-
3 tendance’ means tuition, fees, on-campus room
4 and board, books and supplies, personal ex-
5 penses, and transportation.

6 “(B) ON-CAMPUS ROOM AND BOARD.—The
7 term ‘on-campus room and board’ means—

8 “(i) the cost to a student of a double
9 room on campus; and

10 “(ii) the cost of a resident student
11 meal plan.

12 “(2) ELIGIBLE INSTITUTION.—The term ‘eligi-
13 ble institution’ means a public 4-year institution of
14 higher education or a private, nonprofit 4-year insti-
15 tution of higher education.

16 “(3) ELIGIBLE STUDENT.—The term ‘eligible
17 student’ means a student who—

18 “(A) has received an associate’s degree or
19 has earned not less than 60 credits toward a
20 baccalaureate degree;

21 “(B) is enrolled, at an eligible institution
22 awarded a grant under this section, on a full-
23 time basis in a course of study that will lead to
24 employment in a public service job; and

1 “(C) has submitted a Free Application for
2 Federal Student Aid (FAFSA) to the Depart-
3 ment.

4 “(4) PUBLIC SERVICE JOB.—The term ‘public
5 service job’ has the meaning given the term in sec-
6 tion 455(m)(3)(B).

7 “(b) ESTABLISHMENT OF PROGRAM.—The Secretary
8 shall establish a National Public Service Education Grant
9 program to assist in paying for the cost of attendance for
10 an undergraduate education to students who commit to
11 work for not less than 3 years in a public service job upon
12 completion of their baccalaureate degree.

13 “(c) GRANTS FROM THE DEPARTMENT TO ELIGIBLE
14 INSTITUTIONS.—

15 “(1) IN GENERAL.—The Secretary shall award
16 grants to eligible institutions to enable the eligible
17 institutions to award grants to eligible students who
18 commit to work for not less than 3 years in a public
19 service job upon completion of their baccalaureate
20 degree.

21 “(2) DURATION.—Grants awarded to eligible
22 institutions under this subsection shall be 5 years in
23 duration. Subject to subsection (e), such a grant
24 may be extended for additional 5-year periods.

25 “(3) AMOUNTS.—

1 “(A) IN GENERAL.—Except as provided in
2 subparagraph (B), the Secretary shall award a
3 grant to an eligible institution under this sub-
4 section for a fiscal year in an amount equal to
5 the lesser of—

6 “(i) the average annual cost of in-
7 State tuition, fees, and on-campus room
8 and board in the State in which the insti-
9 tution is located at a public 4-year institu-
10 tion of higher education during the fiscal
11 year multiplied by the number of eligible
12 students enrolled at the institution who
13 apply for a grant under this section during
14 the fiscal year; or

15 “(ii) the actual annual cost of tuition,
16 fees, and on-campus room and board at
17 the eligible institution during the fiscal
18 year multiplied by the number of eligible
19 students enrolled at the institution who
20 apply for a grant under this section during
21 the fiscal year.

22 “(B) NONTRADITIONAL CALENDAR.—The
23 calculation of the cost of tuition, fees, and on-
24 campus room and board under subparagraph
25 (A) with respect to an eligible student who ap-

1 plies for a grant under this section for enroll-
2 ment during the summer or other nontradi-
3 tional period shall be the cost of the cost of tui-
4 tion, fees, and on-campus room and board for
5 such summer or other nontraditional period.

6 “(4) APPLICATIONS.—The Secretary shall de-
7 sign an application for eligible institutions to partici-
8 pate in the grant program under this subsection that
9 includes a description of how the eligible institution,
10 if awarded a grant under this subsection, will pro-
11 vide services to students as follows:

12 “(A) Provide comprehensive academic and
13 student support services for eligible students
14 awarded grants under this section, including
15 mentoring and advising, particularly for first-
16 generation and minority students.

17 “(B) Provide accelerated learning opportu-
18 nities for eligible students awarded grants
19 under this section to receive their baccalaureate
20 degree and any required certificate or license to
21 work in their respective public service job in
22 less than 2 years if an eligible student seeks to
23 complete the degree in less than 2 years.

24 “(C) Foster opportunities for eligible stu-
25 dents awarded grants under this section to con-

1 nect with potential public service job employers
2 through the Corporation for National and Com-
3 munity Service.

4 “(D) Any additional information deter-
5 mined necessary by the Secretary.

6 “(d) GRANTS TO ELIGIBLE STUDENTS.—

7 “(1) IN GENERAL.—Each eligible institution
8 that receives a grant under subsection (c) shall
9 award grants to eligible students enrolled at the in-
10 stitution.

11 “(2) APPLICATION.—An eligible student who
12 desires to receive a grant under this section shall
13 submit an application to the eligible institution that
14 includes the following:

15 “(A) An agreement to work for not less
16 than 3 years in a public service job upon com-
17 pletion of their baccalaureate degree.

18 “(B) Information that demonstrates that
19 the student is an eligible student for purposes
20 of section 484.

21 “(C) Information that demonstrates that
22 the student has received counseling from the
23 Department that explains the terms and condi-
24 tions of the grant award.

1 “(D) Any additional information deter-
2 mined necessary by the Secretary.

3 “(3) GRANT AMOUNT.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B), an eligible institution shall
6 award a grant to an eligible student enrolled at
7 the institution for an academic year in an
8 amount equal to the total grant amount re-
9 ceived by the eligible institution under sub-
10 section (c) for the fiscal year preceding the aca-
11 demic year divided by the number of students
12 to whom the eligible institution awards grants
13 under this subsection for such academic year.

14 “(B) NONTRADITIONAL CALENDAR.—An
15 eligible institution shall award a grant to an eli-
16 gible student who applies for a grant under this
17 section for enrollment during the summer or
18 other nontraditional period in an amount, from
19 the total grant amount received by the eligible
20 institution under subsection (c), that is pro-
21 rated to reflect the cost of tuition, fees, and on-
22 campus room and board for such summer or
23 other nontraditional period.

24 “(4) COST OF ATTENDANCE BEYOND GRANT
25 AMOUNT.—

1 “(A) AMOUNTS NOT COVERED BY NPSEG
2 GRANTS.—

3 “(i) PUBLIC INSTITUTIONS.—

4 “(I) IN GENERAL.—An eligible
5 institution that is a public institution
6 of higher education shall cover the ex-
7 cess costs to meet the difference be-
8 tween the in-State tuition, fees, and
9 on-campus room and board at the in-
10 stitution and the amount awarded to
11 the eligible student through the grant
12 award under paragraph (3), through a
13 combination of grant and work-study
14 awards under this title for which the
15 eligible student may be eligible, cam-
16 pus-based aid programs, State-based
17 merit or need-based aid, or other in-
18 stitutional-based merit- or need-based
19 aid. An eligible institution that is a
20 public institution of higher education
21 may cover, with respect to an eligible
22 student, any amounts of the cost of
23 attendance that are in excess of the
24 total amount awarded to the eligible
25 student through the grant award

1 under paragraph (3) and the amount
2 of excess costs provided under this
3 subclause based on the demonstrated
4 financial need of the student.

5 “(II) STUDENT CONTRIBU-
6 TION.—The eligible student shall be
7 responsible for any amounts of the
8 cost of attendance that are in excess
9 of the total amount awarded to the el-
10 ible student through the grant
11 award under paragraph (3) and the
12 amount of excess costs provided under
13 subclause (I). The eligible student
14 may be eligible for Federal student
15 aid in accordance with subparagraph
16 (B) for the remaining cost of attend-
17 ance amount for which the student is
18 responsible.

19 “(ii) PRIVATE INSTITUTION.—

20 “(I) MATCHING AMOUNT.—

21 “(aa) IN GENERAL.—An eli-
22 gible institution that is a private,
23 nonprofit institution of higher
24 education shall—

1 “(AA) with respect to
2 an eligible student described
3 in item (bb), cover excess
4 costs toward meeting an eli-
5 gible student’s cost of at-
6 tendance in an amount
7 equal to or greater than the
8 amount of the grant award
9 to the eligible student de-
10 scribed in paragraph (3);
11 and

12 “(BB) with respect to
13 an eligible student not de-
14 scribed in item (bb), not be
15 obligated to provide addi-
16 tional institutional-based fi-
17 nancial aid to such student.

18 “(bb) ELIGIBLE STU-
19 DENTS.—An eligible student is
20 described in this item if the stu-
21 dent’s (or the student’s parents’
22 in the case of a dependent stu-
23 dent) adjusted gross income for
24 the taxable year that is 1 year
25 prior to the taxable year that

1 ends immediately prior to the be-
2 ginning of the first award year of
3 the program under this section is
4 equal to or less than \$125,000,
5 indexed for inflation by regula-
6 tion of the Secretary.

7 “(cc) SOURCE OF AID.—The
8 required amount described in
9 item (aa)(AA) may be provided
10 through a combination of grant
11 and work-study awards under
12 this title for which the eligible
13 student may be eligible, campus-
14 based aid programs, State-based
15 merit or need-based aid, or other
16 institutional-based merit- or
17 need-based aid.

18 “(II) STUDENT CONTRIBU-
19 TION.—The eligible student shall be
20 responsible for any amounts of the
21 cost of attendance that are in excess
22 of the total amount awarded to that
23 eligible student through the grant
24 award under paragraph (3) and the
25 amount of excess costs provided under

1 subclause (I). The eligible student
2 may be eligible for Federal student
3 aid in accordance with subparagraph
4 (B) for the remaining cost of attend-
5 ance amount for which the student is
6 responsible.

7 “(iii) STUDENT CHOICE.—An eligible
8 student who receives a Federal work-study
9 award by an eligible institution to meet the
10 cost of attendance beyond a grant awarded
11 under this section may choose to decline
12 the Federal work-study award and take
13 out a Federal Direct Unsubsidized Staf-
14 ford Loan. An eligible institution shall be
15 considered to have met the institution’s re-
16 sponsibilities if a student chooses to take
17 out such a loan in lieu of a Federal work-
18 study award.

19 “(B) FIRST DOLLAR AWARD.—An eligible
20 institution shall consider the grant award under
21 this subsection as the first dollar award, to be
22 available prior to other funds awarded by the
23 Department of Education under this title, the
24 State involved, or the institution.

1 “(C) HOUSING.—An eligible student who
2 receives a grant under this subsection may use
3 the grant amounts for off-campus housing but
4 the student may not use such grant amounts
5 for any amounts for such off-campus housing
6 that are in excess of the cost of on-campus
7 room and board.

8 “(5) CLASSES IN NONTRADITIONAL CAL-
9 ENDARS.—An eligible student who receives a grant
10 under this subsection may use the grant amounts for
11 enrollment during any period of study.

12 “(e) INSTITUTIONAL ACCOUNTABILITY.—

13 “(1) IN GENERAL.—Each eligible institution
14 that receives a grant under subsection (c) shall—

15 “(A) provide comprehensive academic and
16 student support services for eligible students
17 awarded grants under this section, including
18 mentoring and advising, particularly for first-
19 generation and minority students;

20 “(B) provide accelerated learning opportu-
21 nities for eligible students awarded grants
22 under this section to receive their baccalaureate
23 degree and any required certificate or license to
24 work in their respective public service job in

1 less than 2 years if an eligible student seeks to
2 complete the degree in less than 2 years; and

3 “(C) foster opportunities for eligible stu-
4 dents awarded grants under this section to con-
5 nect with potential public service job employers
6 through the Corporation for National and Com-
7 munity Service.

8 “(2) BIENNIAL REPORT.—

9 “(A) IN GENERAL.—Each eligible institu-
10 tion that receives a grant under subsection (c)
11 shall submit a biennial report to the Secretary
12 describing the following:

13 “(i) Academic and student support
14 services offered to eligible students award-
15 ed grants under this section.

16 “(ii) Such students’ progress towards
17 baccalaureate degree completion and grad-
18 uation.

19 “(iii) Outreach to potential public
20 service job employers for the eligible stu-
21 dents awarded grants under this section.

22 “(B) CONTINUING GRANT AWARDS TO ELI-
23 GIBLE INSTITUTIONS.—The Secretary may con-
24 tinue grant awards to an eligible institution

1 under subsection (c) after the initial 5-year
2 grant period for additional 5-year periods if—

3 “(i) the institution complies with the
4 requirements of paragraph (1); and

5 “(ii) the eligible students awarded
6 grants under this section who are enrolled
7 at the institution have a baccalaureate de-
8 gree graduation rate that meets or exceeds
9 a rate determined appropriate by the Sec-
10 retary.

11 “(C) DISCONTINUING GRANT AWARDS TO
12 ELIGIBLE INSTITUTIONS.—

13 “(i) IN GENERAL.—The Secretary
14 may discontinue grant awards to an eligi-
15 ble institution under subsection (c) after
16 the initial 5-year grant period based on the
17 outcome of the biennial reports under sub-
18 paragraph (A).

19 “(ii) NOTIFICATION.—Prior to the
20 Secretary discontinuing a grant award
21 under clause (i), the Secretary shall notify
22 the institution, prior to the start of the 5th
23 year of the 5-year grant period, in a pub-
24 lically available format, that the institution
25 is, or is potentially, out of compliance with

1 the requirements of the grant award and
2 may have the institution's grant awards
3 discontinued.

4 “(iii) MODIFICATIONS.—In the 5th
5 year of the 5-year grant period, an eligible
6 institution may make modifications to the
7 institution's grant program and appeal to
8 the Secretary for a renewal of the institu-
9 tion's grant.

10 “(iv) DECISION.—The Secretary, prior
11 to the conclusion of the 5-year grant pe-
12 riod, shall render a decision on whether to
13 continue grant awards to an eligible insti-
14 tution.

15 “(v) REMAINING RESPONSIBILITY.—If
16 the Secretary discontinues grant awards to
17 an eligible institution under subsection (c),
18 the institution shall be responsible for
19 maintaining academic and student support
20 services and providing the full remaining
21 costs for eligible students awarded a grant
22 under this section prior to such discontinu-
23 ation to receive their baccalaureate degree
24 debt free.

1 “(3) INSTITUTIONAL PROHIBITIONS.—Each eli-
2 gible institution that receives a grant under sub-
3 section (c) may not—

4 “(A) use grant funds for administrative
5 purposes; or

6 “(B) establish different tuition prices be-
7 tween eligible students who receive grants
8 under this section and students who do not re-
9 ceive grants under this section for pursuing the
10 same course of study.

11 “(f) STUDENT ACCOUNTABILITY.—

12 “(1) ENROLLMENT; GPA; SERVICE.—

13 “(A) IN GENERAL.—An eligible student
14 awarded a grant under this section shall—

15 “(i) maintain full-time enrollment in
16 order to complete the student’s bacca-
17 laureate degree in not more than 2 years;
18 and

19 “(ii) maintain satisfactory academic
20 progress, defined as a 3.0 grade point av-
21 erage (GPA) or higher, and meet all other
22 institutional standards for academic
23 progress.

24 “(B) TWO WEEKS OF SERVICE.—

1 “(i) IN GENERAL.—Except as other-
2 wise provided in this subparagraph, an eli-
3 gible student awarded a grant under this
4 section shall serve for 80 hours as a partic-
5 ipant in a Corporation for National and
6 Community Service national service project
7 for each year the eligible student receives
8 the grant. The eligible institution shall as-
9 sist in placing the eligible student in such
10 a project relevant to the eligible student’s
11 course of study. Such required hours may
12 be completed at any point during the stu-
13 dent’s enrollment but shall be completed
14 prior to the date the eligible student re-
15 ceives the student’s baccalaureate degree.

16 “(ii) OTHER PROJECT.—If an eligible
17 student resides in an area without a local
18 Corporation for National and Community
19 Service national service project available,
20 the student may instead participate in a
21 service project with a community action
22 agency, a local government agency, or an
23 organization described in section 501(c)(3)
24 of the Internal Revenue Code of 1986.

1 “(iii) MEDICAL EXEMPTION.—The
2 Secretary may grant an eligible student a
3 medical exemption from the service com-
4 mitment under this subparagraph if the
5 student becomes medically unable to com-
6 plete the service commitment over the
7 course of the academic year. An eligible
8 student granted such an exemption shall
9 complete the service commitment upon re-
10 covery without risking eligibility status in
11 the grant program under this section.

12 “(2) SATISFACTORY PROGRESS.—

13 “(A) AFTER ONE YEAR.—In the case in
14 which an eligible student awarded a grant
15 under this section does not maintain satisfac-
16 tory academic progress, as described in para-
17 graph (1)(A)(ii), after the first academic year
18 for which the student received the grant, the
19 student shall—

20 “(i) serve an additional year in a pub-
21 lic service job beyond the 3-year commit-
22 ment upon receiving the student’s bacca-
23 laureate degree; and

1 “(ii) receive additional academic sup-
2 ports from the eligible institution in which
3 the student is enrolled.

4 “(B) AFTER TWO YEARS.—In the case in
5 which an eligible student awarded a grant
6 under this section does not receive a bacca-
7 laureate degree after the second academic year
8 for which the student received the grant, the
9 total of the grant award amount and remaining
10 funds provided by the institution shall be treat-
11 ed as a Federal Direct Unsubsidized Stafford
12 Loan under part D of title IV, and shall be sub-
13 ject to repayment, as described in paragraph
14 (4).

15 “(C) APPEALS.—In the case in which an
16 eligible student awarded a grant under this sec-
17 tion does not maintain satisfactory academic
18 progress, as described in paragraph (1)(A)(ii),
19 after the first academic year for which the stu-
20 dent received the grant, the student may appeal
21 the decision to serve an additional year, as de-
22 scribed in subparagraph (A)(i). The appeal
23 shall be made in writing to the eligible institu-
24 tion and include an academic plan approved by
25 the student’s adviser. The academic plan shall

1 show a clear pathway to graduation within 1
2 year.

3 “(3) PUBLIC SERVICE JOB WORK OBLIGA-
4 TION.—

5 “(A) IN GENERAL.—Except as provided in
6 paragraph (2)(A)(i) and subparagraph (C), an
7 eligible student awarded a grant under this sec-
8 tion shall work for not less than 3 years in a
9 public service job after receiving the student’s
10 baccalaureate degree. Such 3 years (or 4 years,
11 in the case of a scenario described in paragraph
12 (2)(A)(i)) may be consecutive or nonconsecutive
13 but shall be completed not later than 5 years
14 (or 6 years, in the case of a scenario described
15 in paragraph (2)(A)(i)) after the date the stu-
16 dent receives the student’s baccalaureate de-
17 gree.

18 “(B) NOTIFICATION.—An eligible student
19 awarded a grant under this section shall notify
20 the Department, utilizing a form designed by
21 the Secretary, of the student’s compliance or
22 noncompliance with subparagraph (A) annually
23 until such student completes the student’s work
24 obligation.

1 “(C) DEFERMENT FOR GRADUATE
2 SCHOOL.—The work obligation described in
3 subparagraph (A) of an eligible student award-
4 ed a grant under this section who enrolls as a
5 full-time student in a post-baccalaureate degree
6 program not later than 3 years after the date
7 the student receives the student’s baccalaureate
8 degree shall be deferred during the period of
9 such full-time enrollment. Any years of service
10 completed prior to full-time enrollment in a
11 post-baccalaureate degree program shall count
12 toward such work obligation.

13 “(4) REPAYMENT FOR NONCOMPLIANCE.—In
14 the event that an eligible student awarded a grant
15 under this section fails or refuses to comply with the
16 work obligation as described in paragraph (3), or the
17 student does not receive a baccalaureate degree after
18 the second academic year for which the student re-
19 ceived the grant, as described in paragraph (2)(B),
20 the sum of the amounts of any grants received by
21 the student shall, upon a determination of such a
22 failure or refusal in such service obligation or failure
23 to receive a baccalaureate degree, be treated as a
24 Federal Direct Unsubsidized Stafford Loan under
25 part D of title IV, and shall be subject to repay-

1 ment, together with interest thereon accruing from
 2 the date of the grant award, in accordance with
 3 terms and conditions specified by the Secretary in
 4 regulations under this section.

5 “(5) MEDICAL EXEMPTION.—The Secretary
 6 may grant an eligible student awarded a grant under
 7 this section a medical exemption—

8 “(A) from the requirement of maintaining
 9 satisfactory academic progress under paragraph
 10 (1)(A)(ii); or

11 “(B) from a term or condition of the work
 12 obligation of the student if the student becomes
 13 medically unable to complete the student’s stud-
 14 ies or public service job work obligation.

15 **“SEC. 420U. NATIONAL PUBLIC SERVICE EDUCATION**
 16 **GRANT PROGRAM FOR MINORITY-SERVING**
 17 **INSTITUTIONS AND HBCUS.**

18 “(a) DEFINITIONS.—In this section:

19 “(1) ELIGIBLE INSTITUTION.—The term ‘eligi-
 20 ble institution’ means a minority-serving institution
 21 or historically black college or university that is a
 22 public 4-year institution of higher education or a
 23 private, nonprofit 4-year institution of higher edu-
 24 cation.

1 “(2) ELIGIBLE STUDENT.—The term ‘eligible
2 student’ means a student who—

3 “(A) has received an associate’s degree or
4 has earned not less than 60 credits toward a
5 baccalaureate degree;

6 “(B) is enrolled, at an eligible institution
7 awarded a grant under this section, on a full-
8 time basis in a course of study that will lead to
9 employment in a public service job; and

10 “(C) has submitted a Free Application for
11 Federal Student Aid (FAFSA) to the Depart-
12 ment.

13 “(3) HISTORICALLY BLACK COLLEGE OR UNI-
14 VERSITY.—The term ‘historically black college or
15 university’ means a part B institution described in
16 section 322(2).

17 “(4) MINORITY-SERVING INSTITUTION.—The
18 term ‘minority-serving institution’ means any public
19 or nonprofit institution of higher education—

20 “(A) described in paragraphs (2) through
21 (7) of section 371(a); and

22 “(B) designated as a minority-serving in-
23 stitution by the Secretary.

24 “(5) ON-CAMPUS ROOM AND BOARD.—The term
25 ‘on-campus room and board’ means—

1 “(A) the cost to a student of a double
2 room on campus; and

3 “(B) the cost of a resident student meal
4 plan.

5 “(6) PUBLIC SERVICE JOB.—The term ‘public
6 service job’ has the meaning given the term in sec-
7 tion 455(m)(3)(B).

8 “(b) ESTABLISHMENT OF PROGRAM.—The Secretary
9 shall establish a National Public Service Education Grant
10 program for eligible institutions to provide a debt-free un-
11 dergraduate education to students who commit to work
12 for not less than 3 years in a public service job upon com-
13 pletion of their baccalaureate degree.

14 “(c) GRANTS FROM THE DEPARTMENT TO ELIGIBLE
15 INSTITUTIONS.—

16 “(1) IN GENERAL.—The Secretary shall award
17 grants to eligible institutions to enable the eligible
18 institutions to award grants to eligible students who
19 commit to work for not less than 3 years in a public
20 service job upon completion of their baccalaureate
21 degree.

22 “(2) DURATION.—Grants awarded to eligible
23 institutions under this subsection shall be 5 years in
24 duration. Subject to subsection (e), such a grant
25 may be extended for additional 5-year periods.

1 “(3) AMOUNTS.—

2 “(A) IN GENERAL.—Except as provided in
3 subparagraph (B), the Secretary shall award a
4 grant to an eligible institution under this sub-
5 section for a fiscal year in an amount equal to
6 the actual annual cost of in-State tuition, fees,
7 and on-campus room and board at the eligible
8 institution during the fiscal year multiplied by
9 the number of eligible students enrolled at the
10 institution who apply for a grant under this
11 section during the fiscal year.

12 “(B) NONTRADITIONAL CALENDAR.—The
13 calculation of the cost of tuition, fees, and on-
14 campus room and board under subparagraph
15 (A) with respect to an eligible student who ap-
16 plies for a grant under this section for enroll-
17 ment during the summer or other nontradi-
18 tional period shall be the cost of the cost of tui-
19 tion, fees, and on-campus room and board for
20 such summer or other nontraditional period.

21 “(4) APPLICATIONS.—The Secretary shall de-
22 sign an application for eligible institutions to partici-
23 pate in the grant program under this subsection that
24 includes a description of how the eligible institution,

1 if awarded a grant under this subsection, will pro-
2 vide services to students as follows:

3 “(A) Provide comprehensive academic and
4 student support services for eligible students
5 awarded grants under this section, including
6 mentoring and advising, particularly for first-
7 generation and minority students.

8 “(B) Provide accelerated learning opportu-
9 nities for eligible students awarded grants
10 under this section to receive their baccalaureate
11 degree and any required certificate or license to
12 work in their respective public service job in
13 less than 2 years if an eligible student seeks to
14 complete the degree in less than 2 years.

15 “(C) Foster opportunities for eligible stu-
16 dents awarded grants under this section to con-
17 nect with potential public service job employers
18 through the Corporation for National and Com-
19 munity Service.

20 “(D) Any additional information deter-
21 mined necessary by the Secretary.

22 “(d) GRANTS TO ELIGIBLE STUDENTS.—

23 “(1) IN GENERAL.—Each eligible institution
24 that receives a grant under subsection (c) shall

1 award grants to eligible students enrolled at the in-
2 stitution.

3 “(2) APPLICATION.—An eligible student who
4 desires to receive a grant under this section shall
5 submit an application to the eligible institution that
6 includes the following:

7 “(A) An agreement to work for not less
8 than 3 years in a public service job upon com-
9 pletion of their baccalaureate degree.

10 “(B) Information that demonstrates that
11 the student is an eligible student for purposes
12 of section 484.

13 “(C) Information that demonstrates that
14 the student has received counseling from the
15 Department that explains the terms and condi-
16 tions of the grant award.

17 “(D) Any additional information deter-
18 mined necessary by the Secretary.

19 “(3) GRANT AMOUNT.—

20 “(A) IN GENERAL.—An eligible institution
21 shall award a grant to an eligible student en-
22 rolled at the institution for an academic year in
23 an amount equal to the total grant amount re-
24 ceived by the eligible institution under sub-
25 section (c) for the fiscal year preceding the aca-

1 demic year divided by the number of students
2 to whom the eligible institution awards grants
3 under this subsection for such academic year.

4 “(B) NONTRADITIONAL CALENDAR.—An
5 eligible institution shall award a grant to an eli-
6 gible student who applies for a grant under this
7 section for enrollment during the summer or
8 other nontraditional period in an amount, from
9 the total grant amount received by the eligible
10 institution under subsection (c), that is pro-
11 rated to reflect the cost of tuition, fees, and on-
12 campus room and board for such summer or
13 other nontraditional period.

14 “(4) COST OF ATTENDANCE BEYOND GRANT
15 AMOUNT.—

16 “(A) AMOUNTS NOT COVERED BY NPSEG
17 GRANTS.—

18 “(i) PUBLIC INSTITUTION.—An eligi-
19 ble institution that is a public institution
20 of higher education may cover, with re-
21 spect to an eligible student, any amounts
22 of the cost of attendance that are in excess
23 of the total amount awarded to the eligible
24 student through the grant award under
25 paragraph (3), based on the demonstrated

1 financial need of the student. For the re-
2 maining costs, the eligible student enrolled
3 at an eligible institution that is a public in-
4 stitution shall be responsible for any
5 amounts of the cost of attendance that are
6 in excess of the total amount awarded to
7 that eligible student through the grant
8 award under paragraph (3) and any
9 amount provided pursuant to the preceding
10 sentence. The eligible student may be eligi-
11 ble for Federal student aid in accordance
12 with subparagraph (B) for the remaining
13 cost of attendance amount for which the
14 student is responsible.

15 “(ii) PRIVATE INSTITUTION.—

16 “(I) IN GENERAL.—An eligible
17 institution that is a private, nonprofit
18 institution of higher education shall—

19 “(aa) with respect to an eli-
20 gible student described in sub-
21 clause (II), cover excess costs to-
22 ward meeting an eligible stu-
23 dent’s cost of attendance in an
24 amount equal to or greater than
25 the amount of the grant award to

1 the eligible student described in
2 paragraph (3); and

3 “(bb) with respect to an eli-
4 gible student not described in
5 subclause (II), not be obligated
6 to provide additional institu-
7 tional-based financial aid to such
8 student.

9 “(II) ELIGIBLE STUDENTS.—An
10 eligible student is described in this
11 subclause if the student’s (or the stu-
12 dent’s parents’ in the case of a de-
13 pendent student) adjusted gross in-
14 come for the taxable year that is 1
15 year prior to the taxable year that
16 ends immediately prior to the begin-
17 ning of the first award year of the
18 program under this section is equal to
19 or less than \$125,000, indexed for in-
20 flation by regulation of the Secretary.

21 “(III) SOURCE OF AID.—The re-
22 quired amount described in subclause
23 (I)(aa) may be provided through a
24 combination of grant and work-study
25 awards under this title for which the

1 eligible student may be eligible, cam-
2 pus-based aid programs, State-based
3 merit or need-based aid, or other in-
4 stitutional-based merit- or need-based
5 aid.

6 “(IV) STUDENT CONTRIBU-
7 TION.—The eligible student shall be
8 responsible for any amounts of the
9 cost of attendance that are in excess
10 of the total amount awarded to that
11 eligible student through the grant
12 award under paragraph (3) and the
13 amount of excess costs provided under
14 subclause (I). The eligible student
15 may be eligible for Federal student
16 aid in accordance with subparagraph
17 (B) for the remaining cost of attend-
18 ance amount for which the student is
19 responsible.

20 “(iii) STUDENT CHOICE.—An eligible
21 student who receives a Federal work-study
22 award by an eligible institution to meet the
23 cost of attendance beyond a grant awarded
24 under this section may choose to decline
25 the Federal work-study award and take

1 out a Federal Direct Unsubsidized Staf-
2 ford Loan. An eligible institution shall be
3 considered to have met the institution's re-
4 sponsibilities if a student chooses to take
5 out such a loan in lieu of a Federal work-
6 study award.

7 “(B) FIRST DOLLAR AWARD.—In calcu-
8 lating an eligible student's financial need to
9 cover excess costs described in subparagraph
10 (A), the eligible institution shall consider the
11 grant award under this subsection as the first
12 dollar award, to be available prior to other
13 funds awarded by the Department of Education
14 under this title, the State involved, or the insti-
15 tution. If a grant awarded to an eligible student
16 under this section is equal to the cost of tuition,
17 fees, and on-campus room and board for such
18 student, the eligible institution shall not be re-
19 quired to provide additional institutional schol-
20 arship or grant based aid to the eligible stu-
21 dent.

22 “(C) HOUSING.—An eligible student who
23 receives a grant under this subsection may use
24 the grant amounts for off-campus housing but
25 the student may not use such grant amounts

1 for any amounts for such off-campus housing
2 that are in excess of the cost of on-campus
3 room and board.

4 “(5) CLASSES IN NONTRADITIONAL CAL-
5 ENDARS.—An eligible student who receives a grant
6 under this subsection may use the grant amounts for
7 enrollment during any period of study.

8 “(e) INSTITUTIONAL ACCOUNTABILITY.—

9 “(1) IN GENERAL.—Each eligible institution
10 that receives a grant under subsection (c) shall—

11 “(A) provide comprehensive academic and
12 student support services for eligible students
13 awarded grants under this section, including
14 mentoring and advising, particularly for first-
15 generation and minority students;

16 “(B) provide accelerated learning opportu-
17 nities for eligible students awarded grants
18 under this section to receive their baccalaureate
19 degree and any required certificate or license to
20 work in their respective public service job in
21 less than 2 years if an eligible student seeks to
22 complete the degree in less than 2 years; and

23 “(C) foster opportunities for eligible stu-
24 dents awarded grants under this section to con-
25 nect with potential public service job employers

1 through the Corporation for National and Com-
2 munity Service.

3 “(2) BIENNIAL REPORT.—

4 “(A) IN GENERAL.—Each eligible institu-
5 tion that receives a grant under subsection (c)
6 shall submit a biennial report to the Secretary
7 describing the following:

8 “(i) Academic and student support
9 services offered to eligible students award-
10 ed grants under this section.

11 “(ii) Such students’ progress towards
12 baccalaureate degree completion and grad-
13 uation.

14 “(iii) Outreach to potential public
15 service job employers for the eligible stu-
16 dents awarded grants under this section.

17 “(B) CONTINUING GRANT AWARDS TO ELI-
18 GIBLE INSTITUTIONS.—The Secretary may con-
19 tinue grant awards to an eligible institution
20 under subsection (c) after the initial 5-year
21 grant period for additional 5-year periods if—

22 “(i) the institution complies with the
23 requirements of paragraph (1); and

24 “(ii) the eligible students awarded
25 grants under this section who are enrolled

1 at the institution have a baccalaureate de-
2 gree graduation rate that meets or exceeds
3 a rate determined appropriate by the Sec-
4 retary.

5 “(C) DISCONTINUING GRANT AWARDS TO
6 ELIGIBLE INSTITUTIONS.—

7 “(i) IN GENERAL.—The Secretary
8 may discontinue grant awards to an eligi-
9 ble institution under subsection (c) after
10 the initial 5-year grant period based on the
11 outcome of the biennial reports under sub-
12 paragraph (A).

13 “(ii) NOTIFICATION.—Prior to the
14 Secretary discontinuing a grant award
15 under clause (i), the Secretary shall notify
16 the institution, prior to the start of the 5th
17 year of the 5-year grant period, in a pub-
18 lically available format, that the institution
19 is, or is potentially, out of compliance with
20 the requirements of the grant award and
21 may have the institution’s grant awards
22 discontinued.

23 “(iii) MODIFICATIONS.—In the 5th
24 year of the 5-year grant period, an eligible
25 institution may make modifications to the

1 institution's grant program and appeal to
2 the Secretary for a renewal of the institu-
3 tion's grant.

4 “(iv) DECISION.—The Secretary, prior
5 to the conclusion of the 5-year grant pe-
6 riod, shall render a decision on whether to
7 continue grant awards to an eligible insti-
8 tution.

9 “(v) REMAINING RESPONSIBILITY.—If
10 the Secretary discontinues grant awards to
11 an eligible institution under subsection (c),
12 the institution shall be responsible for
13 maintaining academic and student support
14 services and providing the full remaining
15 costs for eligible students awarded a grant
16 under this section prior to such discontinu-
17 ation to receive their baccalaureate degree
18 debt free.

19 “(3) INSTITUTIONAL PROHIBITIONS.—Each eli-
20 gible institution that receives a grant under sub-
21 section (c) may not—

22 “(A) use grant funds for administrative
23 purposes; or

24 “(B) establish different tuition prices be-
25 tween eligible students who receive grants

1 under this section and students who do not re-
2 ceive grants under this section for pursuing the
3 same course of study.

4 “(f) STUDENT ACCOUNTABILITY.—

5 “(1) ENROLLMENT; GPA; SERVICE.—

6 “(A) IN GENERAL.—An eligible student
7 awarded a grant under this section shall—

8 “(i) maintain full-time enrollment in
9 order to complete the student’s bacca-
10 laurate degree in not more than 2 years;
11 and

12 “(ii) maintain satisfactory academic
13 progress, defined as a 3.0 grade point av-
14 erage (GPA) or higher, and meet all other
15 institutional standards for academic
16 progress.

17 “(B) TWO WEEKS OF SERVICE.—

18 “(i) IN GENERAL.—Except as other-
19 wise provided in this subparagraph, an eli-
20 gible student awarded a grant under this
21 section shall serve for 80 hours as a partic-
22 ipant in a Corporation for National and
23 Community Service national service project
24 for each year the eligible student receives
25 the grant. The eligible institution shall as-

1 sist in placing the eligible student in such
2 a project relevant to the eligible student's
3 course of study. Such required hours may
4 be completed at any point during the stu-
5 dent's enrollment but shall be completed
6 prior to the date the eligible student re-
7 ceives the student's baccalaureate degree.

8 “(ii) OTHER PROJECT.—If an eligible
9 student resides in an area without a local
10 Corporation for National and Community
11 Service national service project available,
12 the student may instead participate in a
13 service project with a community action
14 agency, a local government agency, or an
15 organization described in section 501(c)(3)
16 of the Internal Revenue Code of 1986.

17 “(iii) MEDICAL EXEMPTION.—The
18 Secretary may grant an eligible student a
19 medical exemption from the service com-
20 mitment under this subparagraph if the
21 student becomes medically unable to com-
22 plete the service commitment over the
23 course of the academic year. An eligible
24 student granted such an exemption shall
25 complete the service commitment upon re-

1 covery without risking eligibility status in
2 the grant program under this section.

3 “(2) SATISFACTORY PROGRESS.—

4 “(A) AFTER ONE YEAR.—In the case in
5 which an eligible student awarded a grant
6 under this section does not maintain satisfac-
7 tory academic progress, as described in para-
8 graph (1)(A)(ii), after the first academic year
9 for which the student received the grant, the
10 student shall—

11 “(i) serve an additional year in a pub-
12 lic service job beyond the 3-year commit-
13 ment upon receiving the student’s bacca-
14 laureate degree; and

15 “(ii) receive additional academic sup-
16 ports from the eligible institution in which
17 the student is enrolled.

18 “(B) AFTER TWO YEARS.—In the case in
19 which an eligible student awarded a grant
20 under this section does not receive a bacca-
21 laureate degree after the second academic year
22 for which the student received the grant, the
23 total of the grant award amount and remaining
24 funds provided by the institution shall be treat-
25 ed as a Federal Direct Unsubsidized Stafford

1 Loan under part D of title IV, and shall be sub-
2 ject to repayment, as described in paragraph
3 (4).

4 “(C) APPEALS.—In the case in which an
5 eligible student awarded a grant under this sec-
6 tion does not maintain satisfactory academic
7 progress, as described in paragraph (1)(A)(ii),
8 after the first academic year for which the stu-
9 dent received the grant, the student may appeal
10 the decision to serve an additional year, as de-
11 scribed in subparagraph (A)(i). The appeal
12 shall be made in writing to the eligible institu-
13 tion and include an academic plan approved by
14 the student’s adviser. The academic plan shall
15 show a clear pathway to graduation within 1
16 year.

17 “(3) PUBLIC SERVICE JOB WORK OBLIGA-
18 TION.—

19 “(A) IN GENERAL.—Except as provided in
20 paragraph (2)(A)(i) and subparagraph (C), an
21 eligible student awarded a grant under this sec-
22 tion shall work for not less than 3 years in a
23 public service job after receiving the student’s
24 baccalaureate degree. Such 3 years (or 4 years,
25 in the case of a scenario described in paragraph

1 (2)(A)(i)) may be consecutive or nonconsecutive
2 but shall be completed not later than 5 years
3 (or 6 years, in the case of a scenario described
4 in paragraph (2)(A)(i)) after the date the stu-
5 dent receives the student's baccalaureate de-
6 gree.

7 “(B) NOTIFICATION.—An eligible student
8 awarded a grant under this section shall notify
9 the Department, utilizing a form designed by
10 the Secretary, of the student's compliance or
11 noncompliance with subparagraph (A) annually
12 until such student completes the student's work
13 obligation.

14 “(C) DEFERMENT FOR GRADUATE
15 SCHOOL.—The work obligation described in
16 subparagraph (A) of an eligible student award-
17 ed a grant under this section who enrolls as a
18 full-time student in a post-baccalaureate degree
19 program not later than 3 years after the date
20 the student receives the student's baccalaureate
21 degree shall be deferred during the period of
22 such full-time enrollment. Any years of service
23 completed prior to full-time enrollment in a
24 post-baccalaureate degree program shall count
25 toward such work obligation.

1 “(4) REPAYMENT FOR NONCOMPLIANCE.—In
2 the event that an eligible student awarded a grant
3 under this section fails or refuses to comply with the
4 work obligation as described in paragraph (3), or the
5 student does not receive a baccalaureate degree after
6 the second academic year for which the student re-
7 ceived the grant, as described in paragraph (2)(B),
8 the sum of the amounts of any grants received by
9 the student shall, upon a determination of such a
10 failure or refusal in such service obligation or failure
11 to meet satisfactory academic progress, be treated as
12 a Federal Direct Unsubsidized Stafford Loan under
13 part D of title IV, and shall be subject to repay-
14 ment, together with interest thereon accruing from
15 the date of the grant award, in accordance with
16 terms and conditions specified by the Secretary in
17 regulations under this section.

18 “(5) MEDICAL EXEMPTION.—The Secretary
19 may grant an eligible student awarded a grant under
20 this section a medical exemption—

21 “(A) from the requirement of maintaining
22 satisfactory academic progress under paragraph
23 (1)(A)(ii); or

24 “(B) from a term or condition of the work
25 obligation of the student if the student becomes

1 medically unable to complete the student’s stud-
 2 ies or public service job work obligation.”.

3 **TITLE III—DEBT-FREE PUBLIC**
 4 **SERVICE LOAN FORGIVENESS**
 5 **PROGRAM**

6 **SEC. 301. DEBT-FREE PUBLIC SERVICE LOAN FORGIVENESS**
 7 **PROGRAM.**

8 (a) IN GENERAL.—Section 455(m) of the Higher
 9 Education Act of 1965 (20 U.S.C. 1087e(m)) is amended
 10 by adding at the end the following:

11 “(5) DEBT-FREE PUBLIC SERVICE LOAN FOR-
 12 GIVENESS PROGRAM.—

13 “(A) IN GENERAL.—Beginning after the
 14 date of enactment of the Strengthening Amer-
 15 ican Communities Act of 2018, after the con-
 16 clusion of each employment period in a public
 17 service job, as described in subparagraph (B),
 18 the Secretary shall cancel the percent specified
 19 in such subparagraph of the total amount due
 20 on any eligible Federal Direct Loan made after
 21 the date of enactment of the Strengthening
 22 American Communities Act of 2018 for a bor-
 23 rower who—

24 “(i) is employed in such public service
 25 job;

1 “(ii) submits an employment certifi-
2 cation form described in subparagraph (C);

3 “(iii) is enrolled in a repayment plan
4 described in paragraph (1)(A); and

5 “(iv) notifies the Department that the
6 borrower seeks loan cancellation under this
7 paragraph.

8 “(B) PERCENT AMOUNT.—The percent of
9 a loan that shall be canceled under subpara-
10 graph (A) is as follows:

11 “(i) In the case of a borrower who
12 completes 2 years of employment in a pub-
13 lic service job, 15 percent of the total
14 amount due on the eligible Federal Direct
15 Loan on the date the borrower commenced
16 employment in such public service job.

17 “(ii) In the case of a borrower who
18 completes 4 years of employment in a pub-
19 lic service job, 15 percent of the total
20 amount due on the eligible Federal Direct
21 Loan on the date the borrower commenced
22 employment in such public service job.

23 “(iii) In the case of a borrower who
24 completes 6 years of employment in a pub-
25 lic service job, 20 percent of the total

1 amount due on the eligible Federal Direct
2 Loan on the date the borrower commenced
3 employment in such public service job.

4 “(iv) In the case of a borrower who
5 completes 8 years of employment in a pub-
6 lic service job, 20 percent of the total
7 amount due on the eligible Federal Direct
8 Loan on the date the borrower commenced
9 employment in such public service job.

10 “(v) In the case of a borrower who
11 completes 10 years of employment in a
12 public service job, 30 percent of the total
13 amount due on the eligible Federal Direct
14 Loan on the date the borrower commenced
15 employment in such public service job.

16 “(C) EMPLOYMENT CERTIFICATION

17 FORM.—

18 “(i) IN GENERAL.—In order to receive
19 loan cancellation under this paragraph, a
20 borrower shall submit to the Secretary an
21 employment certification form that is de-
22 veloped by the Secretary and includes at
23 least self-certification of employment, a
24 separate part for employer certification
25 that indicates the dates of employment,

1 and any additional information required by
2 the Secretary.

3 “(ii) DEFERMENT.—If a borrower
4 submits to the Secretary the employment
5 certification form described in clause (i),
6 during the period in which the borrower is
7 employed in a public service job for which
8 loan cancellation is eligible under this
9 paragraph, the borrower’s eligible Federal
10 Direct Loan shall be placed in deferment.

11 “(D) INTEREST CANCELED.—If a portion
12 of a loan is canceled under this paragraph for
13 any year, the entire amount of interest on such
14 loan that accrues for such year shall be can-
15 celed.

16 “(E) NO RETROACTIVITY.—A borrower
17 may not receive credit for purposes of loan for-
18 giveness under this paragraph for years of em-
19 ployment in a public service job that occurred
20 before the date of enactment of the Strength-
21 ening American Communities Act of 2018.

22 “(F) LEAVING PUBLIC SERVICE.—

23 “(i) IN GENERAL.—If a borrower who
24 receives loan cancellation under this para-
25 graph leaves the public service job, either

1 voluntarily or involuntarily, for which the
2 borrower received loan cancellation before
3 the total amount due on the eligible Fed-
4 eral Direct Loan is cancelled under this
5 paragraph, such borrower shall retain eligi-
6 bility for accelerated loan cancellation
7 under this paragraph for such eligible Fed-
8 eral Direct Loan if the borrower com-
9 mences employment in a public service job
10 not later than 3 years after the date the
11 borrower left the public service job for
12 which the borrower received loan cancella-
13 tion.

14 “(ii) ELIGIBILITY STATUS.—If a bor-
15 rower described in clause (i) commences
16 employment in a public service job within
17 the time period described in clause (i),
18 such borrower shall resume eligibility for
19 accelerated loan cancellation under this
20 paragraph for such eligible Federal Direct
21 Loan. Such borrower upon resumption of
22 eligibility shall be considered to have com-
23 pleted the number of years of employment
24 in a public service job at the last completed
25 loan cancellation period described in sub-

1 paragraph (B) for such borrower, even if
2 the borrower had actually completed an ad-
3 ditional year of employment in a public
4 service job.

5 “(iii) LOSS OF ELIGIBILITY.—If a
6 borrower described in clause (i) does not
7 commence employment in a public service
8 job within the time period described in
9 clause (i), such borrower shall no longer be
10 eligible for loan cancellation under this
11 paragraph but may be eligible for loan can-
12 cellation for such loan under paragraph
13 (1).”.

14 (b) NOTIFICATION OF PROGRAM.—The Secretary of
15 Education, in order to inform public servants of the bene-
16 fits of the debt-free public service loan cancellation pro-
17 gram established under section 455(m)(5) of the Higher
18 Education Act of 1965 (20 U.S.C. 1087e(m))—

19 (1) shall make guidance publicly available to
20 the employers of public servants to make public serv-
21 ants aware of such program; and

22 (2) is encouraged to work in partnership with
23 State licensing agencies to make recently licensed
24 public servants aware of such program.

○