

LEVIN) and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. 950, a bill to allow travel between the United States and Cuba.

S. 1246

At the request of Mr. ROBERTS, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 1246, a bill to amend the Internal Revenue Code of 1986 to provide for collegiate housing and infrastructure grants.

S. 1379

At the request of Mr. JOHNSON, the names of the Senator from Massachusetts (Mr. KERRY) and the Senator from Minnesota (Mr. COLEMAN) were added as cosponsors of S. 1379, a bill to require the Secretary of the Treasury to mint coins in commemoration of veterans who became disabled for life while serving in the Armed Forces of the United States.

S. 1422

At the request of Mr. CORZINE, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1422, a bill to provide assistance to train teachers of children with autism spectrum disorders, and for other purposes.

S. 1482

At the request of Mr. INOUE, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1482, a bill to amend the Internal Revenue Code of 1986 to repeal the reduction in the deductible portion of expenses for business meals and entertainment.

S. 1506

At the request of Mr. BUNNING, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 1506, a bill to amend the Internal Revenue Code of 1986 to allow distilled spirits wholesalers a credit against income tax for their cost of carrying Federal excise taxes prior to the sale of the product bearing the tax.

S. 1531

At the request of Mr. HATCH, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 1531, a bill to require the Secretary of the Treasury to mint coins in commemoration of Chief Justice John Marshall.

S. 1562

At the request of Mr. CRAIG, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 1562, a bill to amend selected statutes to clarify existing Federal law as to the treatment of students privately educated at home under state law.

S. 1586

At the request of Mr. SCHUMER, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 1586, a bill to authorize appropriate action if the negotiations with the People's Republic of China regarding China's undervalued currency and currency manipulations are not successful.

S. 1645

At the request of Mr. CRAIG, the names of the Senator from Utah (Mr. HATCH), the Senator from Vermont (Mr. LEAHY), the Senator from Kentucky (Mr. MCCONNELL), the Senator from Wisconsin (Mr. FEINGOLD), the Senator from New Mexico (Mr. DOMENICI), the Senator from Nebraska (Mr. NELSON) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 1645, a bill to provide for the adjustment of status of certain foreign agricultural workers, to amend the Immigration and Nationality Act to reform the H-2A worker program under that Act, to provide a stable, legal agricultural workforce, to extend basic legal protections and better working conditions to more workers, and for other purposes.

S. 1691

At the request of Mr. CORZINE, his name was added as a cosponsor of S. 1691, a bill to establish commissions to review the facts and circumstances surrounding injustices suffered by European Americans, European Latin Americans, and Jewish refugees during World War II.

S. 1706

At the request of Mr. SCHUMER, the names of the Senator from Ohio (Mr. DEWINE) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 1706, a bill to improve the National Instant Criminal Background Check System, and for other purposes.

S. 1708

At the request of Mr. KENNEDY, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 1708, a bill to provide extended unemployment benefits to displaced workers, and to make other improvements in the unemployment insurance system.

S. 1746

At the request of Mr. SCHUMER, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 1746, a bill to designate the facility of the United States Postal Service located at 339 Hicksville Road in Bethpage, New York, as the "Brian C. Hickey Post Office Building".

S. 1751

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 1751, a bill to amend the procedures that apply to consideration of interstate class actions to assure fairer outcomes for class members and defendants, and for other purposes.

S. 1757

At the request of Mr. INHOFE, the names of the Senator from Alaska (Mr. STEVENS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. CORZINE), the Senator from South Dakota (Mr. DASCHLE) and the Senator from Texas (Mrs. HUTCHISON) were added as cosponsors of S. 1757, a bill to amend the John F. Kennedy Center Act to authorize ap-

propriations for the John F. Kennedy Center for the Performing Arts.

S. RES. 244

At the request of Mrs. BOXER, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. Res. 244, a resolution congratulating Shirin Ebadi for winning the 2003 Nobel Peace Prize and commending her for her lifetime of work to promote democracy and human rights.

AMENDMENT NO. 1966

At the request of Mr. DEWINE, the names of the Senator from Utah (Mr. HATCH), the Senator from Pennsylvania (Mr. SPECTER), the Senator from New York (Mrs. CLINTON), the Senator from Massachusetts (Mr. KERRY), the Senator from Maryland (Ms. MIKULSKI) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of amendment No. 1966 proposed to H.R. 2800, a bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2004, and for other purposes.

AMENDMENT NO. 1968

At the request of Mr. REID, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of amendment No. 1968 proposed to H.R. 2800, a bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2004, and for other purposes.

AMENDMENT NO. 1969

At the request of Mr. BYRD, the names of the Senator from Vermont (Mr. JEFFORDS), the Senator from New Jersey (Mr. CORZINE) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of amendment No. 1969 proposed to H.R. 2800, a bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2004, and for other purposes.

AMENDMENT NO. 1970

At the request of Mr. MCCONNELL, the names of the Senator from New Jersey (Mr. CORZINE) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of amendment No. 1970 proposed to H.R. 2800, a bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2004, and for other purposes.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ALEXANDER (for himself, Mr. DODD, and Mr. KENNEDY):

S. 1786. A bill to revise and extend the Community Services Block Grant Act, the Low-Income Home Energy Assistance Act of 1981, and the Assets for Independence Act; to the Committee on Health, Education, Labor, and Pensions.

Mr. ALEXANDER. Mr. President, today Senator DODD and I are introducing the Poverty Reduction and Prevention Act of 2003. This bi-partisan

bill proposes to reauthorize important legislation that provides meaningful assistance to 18 million Americans seeking to fight their way out of poverty. The bill includes the Community Services Block Grant, the Low-Income Heating and Energy Assistance Program, and the Assets for Independence Program.

Statistics show us that poverty touches a large proportion of Americans over their lifetimes. Sometimes poverty is a chronic condition that persists over several generations. But more often, poverty happens as a consequence of life's unexpected tragedies—illness, job loss, divorce, or disability. These can seriously undermine a family's ability to support itself. What's needed is a safety net in such times of need. Our Poverty Reduction and Prevention Act can provide that help and can make the difference in a family's efforts to fight their way out of poverty become self-sufficient again.

The services of the Poverty Reduction and Prevention Act are provided primarily through Community Action Agencies, created 40 years ago. The heart of these programs are those provided through the Community Services Block Grant, created in 1981. The block grant allows for maximum flexibility to tailor programs to meet local needs with minimal administrative cost. Today the programs touch the lives of almost 25 percent of those living in poverty. These programs fund a state-administered community services network of more than 1000 local agencies that work to alleviate poverty and empower low-income families in communities across the United States. The agencies are very effective in leveraging their funds to mobilize additional resources from local businesses and foundations, as well as other public sources, to make an effective impact in fighting poverty in their communities.

A number of social services are provided that are designed to help low-income individuals and their families achieve a better quality of life. They help people find and keep a good job, get an adequate education, obtain a decent place to live, pay their utility bills, and even learn how to manage a household income.

The Poverty Reduction and Prevention Act has five major themes for its services: to assist families in poverty address their immediate, most basic needs and work toward self-sufficiency; to serve the non-traditional poor who are facing poverty due to unexpected events such as a plant closing or a major illness or injury; to assist special populations, including those dealing with chronic poverty and for whom conventional solutions have failed; to work for systemic change in low-income communities to promote economic development and community revitalization; and to provide direct assistance to help low-income individuals pay their utility bills.

These programs are the true "safety net" for millions of low-income and at-

risk families and individuals and serve as the centerpiece of most local social service programs in 96 percent of the counties across the country. Last year the programs in the Poverty Reduction and Prevention Act served over 19 million people, primarily through CSBG, serving 13 million, and the Low-Income Heating and Energy Assistance Program, providing assistance to over 5 million.

In Tennessee, over 100,000 individuals were served by CSBG last year, almost 25 percent of whom were disabled. Over 60,000 families were served, 90 percent were living below the federal poverty level, and 40 percent were elderly or disabled families living on a fixed income. And those who are helped in turn help others by volunteering in the programs and giving back to their community. For example, in my home State of Tennessee, long known as the Volunteer State, those who benefitted from these programs gave back to others by working over 190,000 volunteer hours.

And there is good accountability for how those funds are spent in the community. Each agency is governed by a board of directors, a third of which consists of representatives who live in the low-income community, a third are locally elected officials, and the remaining third are community leaders from business, labor, religion, and education.

These programs are not only important to those who receive services; they also make good use of the Federal dollar. Last year in addition to the Federal monies appropriated for these three programs, the community agencies identified other state and local monies and private contributions. In total, local agencies administered over \$9 billion on behalf of low-income families and individuals in communities across the country.

In addition to good fiscal accountability and effective use of Federal dollars to leverage additional resources, the programs are a model when it comes to tracking and reporting the outcomes they are helping people achieve. In Tennessee, for example, we know that 43 percent of individuals who were seeking employment were able to find a job, and two-thirds of those jobs included health care coverage. Over 75 percent of those seeking housing assistance were able to move from sub-standard to good, stable housing, and 524 families were moved out of homelessness. Over 85 percent of elderly households assisted were able to continue living independently.

Through LIHEAP in Tennessee, over 72,000 received assistance in paying their utility bills, thereby avoiding having their heating and cooling cut off, which is of very real importance for health and safety as well as quality of life. The high cost of energy is a growing problem for those families trying to get by on a lower income and for our elderly living on fixed incomes.

By helping these people in meaningful ways, the programs administered

under the Poverty Reduction and Prevention Act have not only made a difference in thousands of lives but have also saved my state money in significant ways—by avoiding the higher costs of homelessness, reducing the number of people in poverty, reducing the need for nursing homes and institutional care, and providing an important "bridge" to help people moving off of welfare achieve permanent self-sufficiency.

While these programs have had many very real successes in the past, as we approached this reauthorization we also looked for ways we could improve the programs and provide even better access to and delivery of these important services. In drafting the reauthorization we gave particular attention to clarifying and strengthening the purpose of these important programs, which, in summary, is to fight and reduce poverty, working in partnerships with community and state leadership.

In this reauthorization we believed it was important to give states greater flexibility in determining who should receive services. We wanted to expand services to the extent possible to assist more of the working poor and their families achieve economic stability and self-sufficiency. While giving more flexibility, we also provided incentives to encourage States to focus on those most in need and to help those transitions from welfare to self-sufficiency. And we strengthened the accountability and monitoring of funds at both the state and local level. We explicitly asked States to hold the line on excessive administrative salaries and expenses, again at both the state and agency level.

In this reauthorization we also wanted to highlight best practices and encourage creativity and innovation in fighting poverty. We called for identifying exemplary local agencies as Centers of Innovation to promote the sharing of best practices among all community agencies.

Focusing on outcomes, we directed local agencies to have established clear goals for reducing poverty in their community and to show that substantial progress is being made in meeting those goals before receiving continuing block grant funds. These goals include leveraging community resources and fostering coordination across Federal, State, local, and private programs and services.

In the area of heating and cooling assistance, we are recommending a significant increase in the funds authorized for this important program, and we have added provisions and specific triggers that allow for better, more effective release of emergency funds for LIHEAP assistance under extraordinary circumstances.

The programs included under the Poverty Reduction and Prevention Act of 2003 are important to millions of Americans who deserve our consideration and need our support. The services touch almost every community in

the country and are often the only source of assistance available to the people the programs are designed to serve. Quite simply, what these services do is help restore dignity to those we serve. Every day one of these programs makes a difference in the lives of our neediest citizens. What this bill can accomplish will make possible a better quality of life for individuals and for neighborhoods and communities across this great land. I join my colleague Senator DODD in urging the passage of this important reauthorization legislation.

Mr. DODD. Mr. President, I am pleased to join Senator ALEXANDER in introducing the Poverty Reduction and Prevention Act, which reauthorizes the Community Services Block Grant, the Low-Income Home Energy Assistance Program, and the Assets for Independence Act. I would especially like to congratulate Senator ALEXANDER, Chairman of the Subcommittee on Children and Families, and his staff for working so hard to ensure that this bill would be a bipartisan piece of legislation.

I, like many of my colleagues, was greatly disturbed by the latest U.S. Census poverty data released last month, which shows that poverty rose to 12.1 percent in 2002, bringing the total number of people living in poverty to 34.6 million. The number of children in poverty rose by 400,000, which means that nearly 17 percent of children are living in poverty. Even more disturbing is that the number of people who lack health insurance rose by 2.4 million in 2002, bringing the total number of uninsured to an alarming 43.6 million. Although the proportion of uninsured children did not change between 2001 and 2002, 11.6 percent of all children remain without the necessary safety net of health insurance. Our children truly are our future; we must treat them like the precious resources that they are and provide them with the services and assistance they need.

There are many troubling signs for families today, particularly families with children. Unemployment continues to be a problem. Families are running out of unemployment benefits without finding jobs. The most recent data from the Department of Health and Human Services shows that welfare caseloads continue to decline overall, but in many States over the last year, caseloads are increasing. With States facing their worst budget crisis since WWII, many programs for low-income families are being cut. This is particularly a problem given that half the states are cutting child care funds. Parents need affordable child care to get and keep jobs. Clearly, this is a time of crisis for our Nation's low-income individuals and families. It is time for our government to help them through these difficult economic times and give them the opportunities and the tools to lift themselves back onto their feet.

The bill that we are introducing today will reaffirm our nation's commitment to alleviating poverty and upholding the American ethos of helping our neighbors. For over 40 years, Community Action Agencies have been using Community Service Block Grant (CSBG) funds to coordinate and deliver comprehensive poverty programs and services to our nation's poor. From administering Head Start programs, to delivering meals to the sick and elderly, providing adult education and literacy, and implementing the Low-Income Home Energy Assistance Program, CSBG funds are reaching and helping nearly a quarter of all people living in poverty in the United States. It goes without saying, that ideally, we would like to reach out to each and every individual and family living in poverty, but this bill is a start. It is a good start. It is a firm commitment to communities that when times are tough, Community Action Agencies will continue to work at the local level to address local needs.

The bill will enhance community flexibility in serving the poor and working poor. I don't need to tell you, that a poor person living in urban New Haven has different needs from an impoverished family living in rural Danielson, CT. The same holds true for Community Action Agencies across our Nation. One Community Action Agency could be using their CSBG funds to teach computer skills in a town where a major manufacturing plant just closed down, while another Community Action Agency is using the same funds to develop rural waste water management systems. I am pleased that this reauthorization retains and strengthens the flexibility that makes CSBG such a unique and successful program, by upholding and strengthening the successful and innovative Results Oriented Management Assessment (ROMA) system of accountability and monitoring procedures.

I am also pleased that reauthorization of this bill will allow crucial assistance to reach more of our country's poor and working poor by setting a minimum eligibility level for assistance at 125 percent of the poverty level and a maximum of 60 percent of the State median income. In Connecticut alone, nearly 32 percent, or 437,492 households, are below 60 percent of the State median income. Conversely, if we had set the maximum at 185 percent of the poverty threshold, we would only reach 269,373 households. By using the State median income as a maximum, not only will this bill be benefitting the Nation's families living in poverty, but it will also assist those working poor families just above the poverty line, including those leaving welfare to make a smooth and permanent transition to self-sufficiency.

The bill also reauthorizes the Low-Income Home Energy Assistance Program, LIHEAP, which allocates grants to States to operate home energy assistance programs for low-income

households. According to the most recent data from the Department of Health and Human Services, 4.8 million households received winter heating assistance, 250,000 benefitted from cooling aid and 87,000 received summer crisis aid in fiscal year 2001. This legislation makes funding LIHEAP more responsive to community needs by basing emergency funding triggers on the price of home energy bills and the average number of heating and cooling days in a month. These simple automatic triggers will ensure that LIHEAP funds are readily available in times of crisis.

Again, I would like to congratulate and thank Senator ALEXANDER for his fine work on this bipartisan piece of legislation. I firmly believe that this bill is a step in the right direction. Every day in this chamber and throughout the halls of the Senate, we talk about leaving no child behind, food stamps, comprehensive health care, job training and rural housing assistance. Mr. President, this bill encompasses all of these programs and services, and many more important poverty initiatives. I urge my colleagues to support this legislation and join us in helping to strengthen low income communities, so that we can help more families become self-sufficient. In these tough economic times, families deserve this support.

By Mr. SPECTER:

S. 1787. A bill to establish the Steel Industry National Historic Site in the Commonwealth of Pennsylvania; to the Committee on Energy and Natural Resources.

Mr. SPECTER. Mr. President, I have sought recognition to introduce legislation that will honor the importance of the steel industry in the Commonwealth of Pennsylvania and the Nation by creating the "Steel Industry National Historic Site" to be operated by the National Park Service in southwestern Pennsylvania.

The importance of steel to the industrial development of the United States cannot be overstated. A national historic site devoted to the history of the steel industry will afford all Americans the opportunity to celebrate this rich heritage, which is symbolic of the work ethic endemic to this great Nation. The National Park Service recently reported that Congress should make remnants of the U.S. Steel Homestead Works an affiliate of the national park system, rather than a full national park, which had been considered in prior years, including legislation I offered two years ago in the 107th Congress. Due to the current backlog of maintenance projects at national parks and the resulting moratorium on new national parks, the legislation offered today instead creates a national historic site that would be affiliated with the National Park Service. There is no better place for such a site than in southwestern Pennsylvania, which played a significant role in early industrial America and continues to today.

I have long supported efforts to preserve and enhance this historical steel-related heritage through the Rivers of Steel Heritage Area, which includes the City of Pittsburgh, and seven southwestern Pennsylvania counties: Allegheny, Armstrong, Beaver, Fayette, Greene, Washington and Westmoreland. I have sought and been very pleased with congressional support for the important work within the Rivers of Steel Heritage Area expressed through appropriations levels of roughly \$1 million annually since fiscal year 1998. I am hopeful that this support will continue. However, more than just resources are necessary to ensure the historical recognition needed for this important heritage. That is why I am introducing this legislation today.

It is important to note why southwestern Pennsylvania should be the home to the national site that my legislation authorizes. The combination of a strong workforce, valuable natural resources, and Pennsylvania's strategic location in the heavily populated northeastern United States allowed the steel industry to thrive. Today, the remaining buildings and sites devoted to steel production are threatened with further deterioration or destruction. Many of these sites are nationally significant and perfectly suited for the study and interpretation of this crucial period in our Nation's development. Some of these sites include the Carrie Furnace Complex, the Hot Metal Bridges, and the United States Steel Homestead Works, which would all become a part of the Steel Industry National Historic Site under my legislation.

Highlights of such a national historic site would commemorate a wide range of accomplishments and topics for historical preservation and interpretation from industrial process advancements to labor-management relations. It is important to note that the site I seek to become a national site under this bill includes the location of the Battle of Homestead, waged in 1892 between steelworkers and Pinkerton guards. The Battle of Homestead marked a crucial period in the Nation's workers' rights movement. The Commonwealth of Pennsylvania, individuals, and public and private entities have attempted to protect and preserve resources such as the Homestead battleground and the Hot Metal Bridge. For the benefit and inspiration of present and future generations, it is time for the Federal Government to join this effort to recognize their importance with the additional protection I provide in this bill.

I would like to commend my colleague, Representative MIKE DOYLE, who has been a longstanding leader in this preservation effort and who sponsors the companion legislation, H.R. 521, pending in the House of Representatives. I look forward to working with southwestern Pennsylvania officials and Mr. August Carlino, President and Chief Executive Office of the Steel Industry Heritage Corporation, in order

to bring this national historic site to fruition. I urge my colleagues to co-sponsor this legislation and I intend to work for its swift passage.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 1791. A bill to amend the Lease Lot Conveyance Act of 2002 to provide that the amounts received by the United States under that Act shall be deposited in the reclamation fund, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DOMENICI. Mr. President, I rise today to introduce a bill that would greatly benefit one of the largest irrigation districts in Southern New Mexico. Last Congress, H.R. 706, the Elephant Butte Lease Lott Conveyance Act, passed the House and Senate unanimously. The purpose of the original bill was to provide security to 403 lease lot holders who were interested in purchasing property currently being leased to them by the Bureau of Reclamation. Many of the lease holders had, at the urging of the Federal Government, invested time and money into improving these lots, including the addition in many cases of permanent fixtures. The bill I bring today would amend that Act by clarifying where the proceeds from the sale of these lands would be deposited.

With regard to proceeds, the late Honorable Howard Bratton, a former Federal District Court judge for the District of New Mexico, ruled in 1992 and in 1997 that the Elephant Butte Irrigation District was entitled to net profits generated from the leasing of grazing and farm lands of the Rio Grande Project. I would just mention that while the latest in these rulings was handed down almost 6 years ago, the District has yet to receive these profits. I understand the Bureau of Reclamation, at the urging of the Federal District Court, has told the Elephant Butte Irrigations District that it will rectify this situation in fiscal year 2004. I intend to closely monitor that situation.

The Lease Lot Conveyance Act of 2002 is silent with regard to any crediting of the proceeds from the sale of the 403 lease lots. Reclamation has taken the position that the proceeds should be credited to the Reclamation Fund. I would just like to note that the repayment obligations of the District were met and title was transferred to the District in the early nineties. The District, therefore, believes that under current law and the opinions of the Federal District Court in New Mexico, they would be entitled to these funds.

The bill I am introducing today makes it clear that the proceeds of the sale should go to the irrigation district instead of to the Reclamation fund. With Reclamation expenses continually escalating, I have been told by the District that they would utilize these proceeds to offset on-going operation and maintenance costs.

While the appraisal of these lands is still pending I do want to be clear that

we are only talking about roughly 250 acres out of the total 78,000 acres comprising the Elephant Butte and Caballo Reservoir boundaries. I believe it is reasonable to allow these funds to go to the District. I hope the Senate will act expeditiously on this matter, so that the process can continue to move forward as we intended it to.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. LEASE LOT CONVEYANCE.**

Section 4(b) of the Lease Lot Conveyance Act of 2002 (116 Stat. 2879) is amended—

(1) by striking "As consideration" and inserting the following:

"(1) IN GENERAL.—As consideration"; and

(2) by adding at the end the following:

"(2) USE.—Amounts received under paragraph (1) shall be—

"(A) deposited by the Secretary, on behalf of the Rio Grande Project, in the reclamation fund established under the first section of the Act of June 17, 1902 (43 U.S.C. 391); and

"(B) made immediately available to the Irrigation Districts, to be credited in accordance with section 4(l) of the Act of December 5, 1924 (43 U.S.C. 501)."

By Mr. CAMPBELL:

S. 1788. A bill to amend title 40, United States Code, to authorize the Administrator of General Services to lease and redevelop certain Federal property on the Denver Federal Center in Lakewood, Colorado; to the Committee on Governmental Affairs.

Mr. CAMPBELL. Mr. President, today I am introducing a bill that will help revitalize the Denver Federal Center (DFC) and the surrounding community of Lakewood, CO. This bill will allow the General Services Administration to enter into public/private partnerships, thereby efficiently and effectively addressing infrastructure and environmental issues at the DFC.

The DFC is a 670-acre campus with 77 active buildings. It began as a munitions manufacturing plan during World War II. Since then, many other agencies have called the DFC home, leaving behind a history of landfills, leaking underground storage tanks, chemical laboratories, and firing ranges that have contaminated the area. Additionally, many of the existing buildings are more than 60 years old and are in need of extensive repair or replacement. The Colorado Department of Public Health is requiring an environmental investigation and clean-up of contaminated areas at a cost of over \$70 million.

As the Denver metropolitan region grows, the GSA has an opportunity to create public / private partnerships that will help foster the growth of the DFC campus into a regional hub of commerce and transportation as formulated in the visions of the local communities. At the same time, through these public / private partnerships, the DFC will be able to help

clean up a 60-year-old environmental mess.

The Regional Transportation District (RTD) would like to create an intermodal facility and public transit hub as the West Corridor Light Rail is developed. New offices can be developed, not only for Federal tenants, but potentially for private businesses as well.

I believe this bill will provide many benefits all around—through the partnerships created, this bill will create new jobs and preserve jobs and institutions already in place, while at the same time taking care of a much needed and necessary environmental preservation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1788

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act shall be cited as the “Denver Federal Center Redevelopment Act”.

#### SEC. 2. DENVER FEDERAL CENTER DEVELOPMENT AUTHORITY.

Part C of subtitle II of title 40, United States Code, is amended by adding at the end the following new chapter:

#### “CHAPTER 71. DENVER FEDERAL CENTER DEVELOPMENT

##### “§ 7101. Master lease development authority

“(a) IN GENERAL.—The Administrator of General Services may enter into leases of Federal real property, including improvements thereon, with totally non-Federal entities to provide for the construction, rehabilitation, operation, maintenance, or use of all, or portions of, the Denver Federal Center as described in section 7106, or such other activities related to the Denver Federal Center as the Administrator considers appropriate. For purposes of this chapter, a lease of Federal real property, including improvements thereon, shall be referred to as a master lease.

“(b) TERMS AND CONDITIONS.—A master lease entered into under this section—

“(1) shall have as its primary purpose enhancing the value of the Denver Federal Center to the United States;

“(2) shall be negotiated pursuant to such procedures as the Administrator considers necessary to ensure the integrity of the selection process and to protect the interests of the United States;

“(3) may provide a lease option to the United States, to be exercised at the discretion of the Administrator, to occupy any general purpose office, storage or other usable space in a facility covered under the master lease;

“(4) shall be for a term not to exceed 50 years;

“(5) shall describe the consideration, duties and responsibilities for which the United States and the non-Federal entity are responsible;

“(6) shall provide—

“(A) that all development risk shall remain with the non-Federal entity;

“(B) that the United States will not be liable for any action, debt or liability of any non-Federal entity; and

“(C) that such non-Federal entity may not execute any instrument or document creating or evidencing any indebtedness unless

such instrument or document specifically disclaims any liability of the United States under the instrument or document; and

“(7) shall include such other terms and conditions as the Administrator considers appropriate.

“(c) CONSIDERATION.—A master lease entered into under this section shall be for fair consideration, as determined by the Administrator. Consideration under a master lease may be provided in whole or in part through in-kind consideration, including provision of other real and related property, goods or services of benefit to the United States, construction, repair, remodeling, or other physical improvements of Federal property, environmental remediation or maintenance of Federal property, or the provision of office, storage or other usable space.

##### “§ 7102. Additional authorities

“(a) AUTHORITY TO CONVEY REMAINING INTERESTS.—In carrying out a master lease entered into under this chapter, the Administrator is authorized to convey the interest of the United States in the property covered by the master lease to the non-Federal entity by sale or exchange, if the Administrator first determines in writing that such conveyance is in the interests of the United States;

“(b) OTHER AUTHORITIES NOT AFFECTED.—The authority to enter into a master lease under this chapter shall be in addition to, and not in lieu of, any other authorities of the Administrator to convey interests in real property by lease, sale, or exchange.

“(c) OBLIGATIONS TO MAKE PAYMENTS.—Any obligation to make payments by the Administrator for the use of space, goods or services by the General Services Administration on property that is subject to a master lease under this chapter may only be made to the extent that necessary funds have been made available to the Administrator, in advance, in an annual appropriations Act.

##### “§ 7103. Relationship to other laws.—

“(a) IN GENERAL.—The authority of the Administrator under this chapter shall not be subject to—

“(1) sections 521 through 529 and sections 541 through 559;

“(2) section 1302;

“(3) section 3307; or

“(4) any other provision of law (other than Federal laws relating to environmental and historic preservation) inconsistent with this chapter.

“(b) UNUTILIZED OR UNDERUTILIZED PROPERTY.—Any property covered under a master lease entered into under this section shall be deemed to be property for which there is a continuing Federal need and may not be considered to be unutilized or underutilized for purposes of section 501 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411).

##### “§ 7104. Use of proceeds

“(a) IN GENERAL.—Net proceeds from a master lease entered into under section 7101 shall be deposited into, administered, and expended, subject to appropriations Acts, as part of the Federal Building Fund established under section 592. In this section, the term ‘net proceeds from a master lease entered into under section 7101’ means the rental proceeds from the master lease minus the expenses incurred by the Administrator with respect to the master lease.

“(b) RECOVERY OF EXPENSES.—The Administrator may retain from the proceeds of a master lease entered into under section 7101 amounts necessary to recover the expenses incurred by the Administrator with respect to the master lease. Such amounts shall be deposited in the account in the Treasury from which the Administrator incurs such expenses.

##### “§ 7105. Reporting requirements

“(a) IN GENERAL.—Before entering into a master lease under section 7101, the Administrator of General Services shall transmit to the appropriate committees of Congress a report on the proposed development and master lease of the Denver Federal Center not less than 30 days before the award of a master lease.

“(b) CONTENTS.—A report transmitted under this section shall include a summary of a cost-benefit analysis of the proposed development and a description of the provisions of the proposed master lease.

##### “§ 7106. Description of the Denver Federal Center

“As used in this chapter, the term ‘Denver Federal Center’ means a parcel of land, located in section 9 and in the East half of the East half of the East half Section 8, Township 4 South, Range 69 West of the Sixth Principal Meridian, being more particularly described as follows:

“Commencing at the northeast corner of said section 9;

“thence S76°38’34”W a distance of 779.20 feet to a point on the southerly right-of-way line of West 6th Avenue being also the true point of beginning;

“thence S45°23’16”E a distance of 932.42 feet to a point on the westerly right-of-way line of Kipling Street;

“thence along the westerly right-of-way line of said Kipling Street the following three courses:

“thence S00°23’16”E, a distance of 1806.59 feet;

“thence S00°23’04”E, a distance of 2341.02 feet;

“thence S44°37’45”W, a distance of 355.19 feet to a point on the northerly right-of-way line of West Alameda Avenue;

“thence along the northerly right-of-way line of said West Alameda Avenue the following three courses:

“thence S89°23’50”W, a distance of 2298.81 feet;

“thence S89°24’08”W, a distance of 2544.90 feet to a point of tangent curve;

“thence along said curve to the left an arc distance of 475.81 feet, having a central angle of 11°38’25”, a radius of 2342.00 feet and a chord bearing of S83°31’57”W, a chord distance of 474.99 feet to a point on the south line of the southeast quarter of said section 8;

“thence S89°37’30”W, along the said south line, a distance of 296.29 feet to a point on the westerly line of the east half of the east half of the east half of said section 8;

“thence along the westerly line of the east half of the east half of the east half of said section 8 the following two courses;

“thence N00°00’10”W, a distance of 2634.40 feet;

thence N00°00’33”W, a distance of 2344.86 feet to a point on the southerly right-of-way line of West 6th Avenue;

“thence along said southerly right-of-way line the following five courses:

“thence N89°44’33”E, a distance of 655.37 feet to a point on the westerly line of the northwest quarter of said section 9;

“thence N89°44’33”E, a distance of 50.00 feet;

“thence N81°11’33”E, a distance of 856.70 feet;

“thence N89°14’41”E, a distance of 1741.83 feet;

“thence N89°14’40”E, a distance of 1876.55 feet to the point of beginning.

“Said parcel contains 29,182.824 square feet or 669.95 acres, more or less.

“Note: For the purpose of this description the bearings are based on the east line of the northeast quarter of said section 9 bearing S00°23’16”E, a distance of 2640.79 feet and monumented by a found 3/4 aluminum cap

marked 'l.p.i. pls 34986' on the north end and by a found 3/4" aluminum cap marked 'vigil land consultants ls 20699' on the south end.'"

### SEC. 3. CONFORMING AMENDMENT

The index for part C of subtitle II of title 40, United States Code, is amended by inserting the following at the end:

"CHAPTER 71. DENVER FEDERAL CENTER DEVELOPMENT."

By Mr. KENNEDY (for himself, Mr. DODD, Mr. BINGAMAN, Mrs. MURRAY, Mr. REED, and Mrs. CLINTON):

S. 1793. A bill to provide for college quality, affordability, and diversity, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Mr. President, it should be our common purpose to guarantee the promise of a good education to all from birth through college. The strength, security, and future of our Nation lie in the education and character of our people.

In recent years, on a bipartisan basis, we have been working to improve preschool, elementary, and secondary education. We should move forward in the same bipartisan way on higher education.

Last year, on a bipartisan basis, we passed the No Child Left Behind Act to raise standards for students in elementary and secondary schools to hold schools and states accountable for results. These worthwhile school reforms deserve to be well-funded, so that all public school students will have a fair chance to succeed.

Last year, Senator GREGG and I also introduced a bipartisan bill to improve the quality of early childhood education in the states, and help ensure that young children begin school ready to learn.

This year, in the Education Committee, again on a bipartisan basis, we have worked to strengthen the Individuals with Disabilities Education Act (IDEA) and ensure that special needs children receive a quality education. I hope we can pass that legislation soon, to assure that the federal government meets its full obligation to children with disabilities.

The next great challenge we should confront on a bipartisan basis is to ensure that every student with the talent, desire, and drive to go to college is able to afford to go to college. Education is the golden door of opportunity, but for too long, the door of higher education has been closed to many students, because of their inability to pay. Surely, we have reached a stage in America where we can say it and mean it—cost will never be a barrier to a college education.

Just as Social Security is a promise of retirement security to senior citizens, just as Medicare is a promise of health security to senior citizens, so we should make "Education Security" a promise to every young American. If you work hard, if you finish high school, if you are admitted to a college,

we should guarantee that you can afford the cost of the four years it takes to earn a degree.

As we move forward on the reauthorization of the Higher Education Act, let us come together again on a bipartisan basis to make college affordable to all qualified students. No students should have to mortgage their future to obtain a college degree.

At other times in our nation's history, we have acted boldly to extend college opportunity. In 1862, a year after the Civil War began, President Abraham Lincoln signed into law the Morrill Land Grant Colleges Act which set aside at least 90,000 acres in each Union State—30,000 acres for each of the state seats in Congress. The Act was named for Congressman Justin Morrill from Vermont, and the funds from sales of the land were to be used for public colleges and universities in the fields of engineering, agriculture, and military science. In the following years, over 70 colleges were established, and in 1890, the Morrill Act was extended to Southern and Western States. Today, over 3.5 million students are educated in public colleges and universities first created under the Morrill Act.

The next great benchmark in higher education came in 1944 when President Franklin Roosevelt signed the GI Bill to help the vast number of veterans who would be returning to civilization when World War II ended. The nation embraced the transforming principles that became a cornerstone of our democracy, that the benefits of college education should be available to all in our society, not just the elite, the wealthy or the white. In less than a decade, 8 million veterans benefitted from the GI Bill, and the immense success of that bill is in no small measure the reason why the World War II generation is now called the Greatest Generation.

In the half century since the GI Bill was enacted, we have made ongoing efforts to make college a reality for as many young men and women as possible. In 1972, we created what we now know as Pell Grants to make college affordable for low and middle income families. Since then, over 79 million students have attended college with the assistance of a Pell Grant, which are named for our distinguished colleague Claiborne Pell, who served as Chairman of the Senate Committee.

In 1993, we created the Direct Loans to make inexpensive student loans available to college students. In the same year, we created AmeriCorps to encourage young people to serve their communities and pursue their education.

Now, in this new century, in this new century, it is essential for Congress to take new steps to make the dream of a college education a reality for all.

Men and women with a college degree now earn 75 percent more than those without it—a million dollars more in earnings over their lifetime. Those who

use computers on the job earn 43 percent more than those who do not. Jobs requiring at least some post-secondary education are estimated to account for over 40 percent of total employment growth over the next decade.

The need for a college education is greater than ever, but so is cost, and the soaring cost today is often pressing college education out of reach for qualified students. Last year, tuition and fees at four-year public colleges rose an average of 14 percent, and the year before, 10 percent. For families in the lowest quartile of income average public university costs now consume over 62 percent of their income—compared to 42 percent in the early 1970's.

It is shameful that federal aid has not kept pace with rising tuition. Twenty years ago, a Pell Grant covered over 80 percent of four-year college costs. Today, it covers less than 40 percent. Twenty years ago, the typical package of student financial aid had 60 percent in grants and 40 percent in loans. Today, the ratio is reduced the typical package now has 40 percent in grants and 60 percent loans—and the grant-loan imbalance is getting worse.

Each year, over a half a million school graduates who are qualified for college do not go to college full-time, because they cannot pay the bill. The average low-income, college student has an average of \$3,800 a year in college costs not covered by grants, loans, work, or family savings.

Students who begin college have trouble staying in college and graduating from college. Only 48 percent of students from upper-income families graduate from college by age 24, and that figure is seven times the graduation rate of students from low-income families. Only 7 percent—7 percent—of low-income students graduate from college by age 24. Students from minority backgrounds and those who would be the first in their family to achieve a four-year college degree are 33 percent more likely to drop out of college.

Only forty percent of all whites in ages of 18 to 24 attend college. Only 30 percent of African-American and only 16 percent of all Latinos are enrolled in college. Four in ten Latino college students drop out within three years of their enrollment.

We cannot allow these unacceptable percentages to continue. We must do more to help students attend and finish college, and do more to help colleges train more teachers and better teachers for our public schools so that more young men and women will be able to go to college and earn their degree, and fulfill their role in the nation's future.

It is a privilege today to join our Democratic colleagues on the Education Committee, in introducing the College Quality, Affordability, and Diversity Improvement Act of 2003 to improve college opportunity for qualified students. We know that too many families and students across the country are struggling to afford the cost of college and we should do all we can to

help them. The bill will improve access to college in six key ways. It helps students pay for college by providing more financial aid. It slows the excessive increases in college tuition. It makes the repayment of students loan less costly. It encourages and rewards students working their way through school. It help minority and low-income students go to college and finish college. It improves the recruitment and training of public school teachers who will prepare the next generation of college students.

In compliance with the Congressional Budget Act of 1974, the cost of our bill is offset by eliminating windfall profits to banks that participate in the student loan program.

Fulfilling a pledge of "Education Security" requires renewed resolve by everyone—students, families, colleges, states, and the federal government. Students should work to save money for college. Families should pay what they can afford. Colleges should commit to reducing increases in tuition. States should continue as much support as they can for students. Federal support should fill the gap that remains.

Under our bill, \$1,500 more in student aid will be available to hard-pressed, middle-class families and \$3,800 to lower income families.

We increase the maximum Pell grant by nearly \$500, from \$4,050 to \$4,500, in order to keep pace with rising costs of tuition in public colleges; 4.8 million lower income and working class students will get larger Pell grants and 200,000 middle-class students will get Pell grants for the first time.

The Act makes \$3,000 in HOPE tax credit aid available to low-income families who currently do not receive this aid, in part because the tax credit is not refundable, and doubles the \$1,500 HOPE scholarship tax credit that middle-class families currently receive. Over 4 million Pell grant students in families with a median income of \$15,200 a year will receive the HOPE tax credit for the first time. For 3.2 million middle-income families, their tax credit will double in size.

The bill increases campus-based financial aid programs such as College Work-Study and the Supplemental Education Opportunity Grants, which means \$200 more in aid to needy students on average.

The bill eliminates \$100 in annual student taxes (also called "origination fees") on federal need-based loans. Over 5 million students will no longer have to pay these up-front fees for the privilege of borrowing tens of thousands of dollars.

For needy families struggling to send their children to college, these changes will provide \$3,800 in additional college aid each year—\$500 in increased Pell aid, \$3,000 in HOPE tax benefits, \$200 more in campus-based aid, and \$100 in waivers of student loan fees.

The rising cost of college is an increasingly serious problem for the nation. Students need more financial aid

each year. Families need protection from tuition increases that year after year are in the hundreds, or even thousands of dollars. We have ignored the tuition increase problem in higher education for too long.

In fact, few students actually pay "sticker price" tuition at private colleges, since many get a discount. At private universities, 8 out of every 10 students receives a discount from the published tuition cost, and those discounts average 40 percent of the sticker price.

The sticker price of college tuition is rising for many reasons. Public colleges are dependent on state funding that has been declining with the struggling national economy. As states cut back their support for higher education, tuition rises. Colleges can reduce some costs in order to limit tuition increases, and we can help them do so.

Tuition is rising in general because colleges believe that in the constant competition for students and faculty, it is necessary for each college to have the best facilities and programs. In effect, and because of this, a "higher education arms race," colleges are constantly striving to be ahead of the competition.

This bill rejects the price controls on college tuition that some have suggested. Instead, it creates incentives for colleges to reduce costs. It reduces regulatory costs for colleges and supports voluntary limits on cost growth. It requires states to do their part in supporting higher education. It ensures that families obtain better information about the true cost of college. And importantly, it rejects the idea of withholding federal student aid for students who attend colleges with excessive tuition costs, because doing so would hurt the neediest students.

Our bill supports the creation of college consortiums that will jointly buy in bulk and share the costs of health care, libraries, faculties, and other needs, so that they achieve economies of scale. It reduces regulatory burdens on colleges. When we lower the operating costs of colleges, we make it easier for them to restrain tuition increases.

The bill requires the Secretary of Education to convene a "higher education arms control" summit. Groups of competing colleges will be convened by the Secretary to negotiate limits on future growth in tuition. The Secretary will be given the authority to waive anti-trust protections, when the waiver is needed to achieve reduced tuition growth.

States and colleges must do their part to make college affordable. The bill insists that states must not treat college students like piggy banks to balance state budgets. The bill offers a new partnership to States, under which additional federal resources will be available to states that invest in higher education. States that dramatically cut higher education will be limited to current levels of aid.

Finally, our bill requires schools to publish their true tuition: the extent and average amount of discounts offered to students. Families should know how much school really will cost and how possible it is to bargain for the best deal.

No matter what we do on grants and college costs, loans will continue to be a large part of college aid, but that debt should not be excessive. Today, the average debt on student loans is \$17,000, but it can exceed \$100,000 for graduate students and professional students. This bill makes it easier to repay student loan debt or work it off. It creates a new refinancing option for borrowers now saddled with consolidated loans at high interest rates. It saves taxpayers money by rewarding student and school participation in the Direct Loan program.

The Act converts the current tax deduction for interest tax on student loans into a tax credit. This bipartisan proposal of Senator SNOWE and Senator SCHUMER will provide low-income graduates with up to \$1,500 in reimbursement for interest in student loans.

To encourage public service, the Act forgives the debt on Direct Loans for remaining after ten years for students in certain public sector jobs. Currently, student loan debt is often so large that it prevents students from accepting public interest jobs and forces them to look for higher paying jobs in the private sector. The bill rewards those who choose lower paying public interest jobs in sectors where the need is great, such as public safety, law enforcement, teaching, and public interest legal services.

In addition, the Act enables all college graduates to refinance their student loans, just as their families would refinance a home mortgage. Under current law, graduates who make payments on multiple variable interest rate student loans can consolidate their loans today into a single fixed rate loan at the relatively low interest rate of 3.42 percent. But over 5 million borrowers consolidated their student loans years ago at higher interest rates. The bill enables them to refinance that consolidated loan at today's prevailing interest rate.

The availability of new Refinanced Direct Loans will dramatically reduce student loan repayment for millions of college graduates. A middle-class borrower, for example, with \$60,000 in student loan debt at 7 percent interest will save \$1,200 a year, or more than \$10,000 over the life of the loan, if they refinance under this proposal.

Further, the bill rewards schools and students that save taxpayers money by participating in the federal Direct Loan program. For every dollar borrowed through the Direct Loan program instead of the traditional private FFEL program, taxpayers save approximately fourteen cents. Our bill offers schools that participate in the Direct Loan program a percentage of the federal savings earmarked for student

aid. Taxpayers will save money and students will receive more financial aid, as a result of this "Direct Loan Reward Program." It's a win-win proposal.

In light of the growing need today, current law imposes too heavy a penalty on students who work their way through college. Their financial aid is reduced by 50 cents for every after-tax dollar they earn.

This bill exempts from penalty the first \$9,000 earned by traditional college students and the first \$18,000 earned by adults attending college. Those students who work to support their college education deserve this additional assistance.

This bill includes a series of proposals to enable larger numbers of minority first-generation college students to go to college and graduate from college. Our national commitment to diversity in college education has been re-affirmed earlier this year by the Supreme Court. A major part of that commitment is preparing all young persons to approach the doors of higher education, making sure the gates are fully and fairly open to them, helping students to pay the costs, and enabling them to stay in college and graduate from college.

The Act increases funding for the successful TRIO and GEAR UP programs that provide information and counseling about college preparation, financial aid, and admissions.

It increases the access of low-income students to college preparation and tutoring programs for the Scholastic Achievement Test and American College Test that have been proven to be effective.

In addition, it assists students in making well-informed decisions on college applications and enrollments, encourages colleges to act on their own to modify policies that make it more difficult for already disadvantaged students to apply or enroll.

The Act supports partnerships between community colleges and four-year colleges, and it encourages them to provide targeted assistance in the form of tutoring, financial aid, child care, counseling, mentoring, and innovative course schedules, all with the goal of improving the admission, retention and graduation rates of low-income students, and non-traditional students.

Increased funding will be available for Hispanic-Serving Institutions and Historically Black Colleges and Universities. These colleges are the source of an extraordinary proportion of minority graduates from college and they deserve greater support.

The federal government must do its part in strengthening further diversity in higher education and colleges and individual students must do their part as well. Diversity is our nation's strength, and all of us have an obligation to support it.

The Act includes a series of initiatives to help recruit and retain high-

quality teachers for the nation's public schools. A fundamental aspect of preparing students for college means making sure they have a good teacher in every classroom.

The shortage of such teachers is increasingly severe. America will need more than 2 million new teachers in the next decade. Today, approximately one in every three teachers leaves teaching within the first three years, and almost half leave within the first five years. The No Child Left Behind Act has set a goal of a highly-qualified teacher in every classroom by 2006. Clearly, it is time for the nation to make teacher training a priority.

The Higher Education Act Amendments of 1998 included a new title II program to respond to the teacher shortage. The Act scales up the current title II "pilot program" and strengthens and expands it, so that every State will receive funds every year, in order to assure that as many children as possible are taught by highly qualified teachers.

The Act authorizes additional for State Grants and Partnership Grants, with the goal of establishing formula grants for every State. We need to train teachers more effectively, attract more men and women to the field of teaching, and encourage them to continue in the field. These grants will improve preparation, recruitment, and retention of teachers, and help States and schools put a highly qualified teacher in every classroom.

By increasing the accountability of teacher preparation programs, the Act strengthens teacher preparation courses, so that teachers will have the skills and support they need to succeed in the classroom. The bill creates a new national database to provide accurate information on the quality of these preparation programs.

In addition, the Act establishes innovative programs to attract and retain teachers. A mentoring program will help train new teachers and provide professional assistance from more experienced teachers. A new home-ownership program will provide teachers in high-need districts with funds to afford the purchase of a home. A separate initiative will develop links between community colleges and four-year colleges in teacher preparation programs, and help train teacher aides in high-need communities to become teachers.

The Act also helps attract teachers to high-need areas in high-demand subjects, by increasing the amount of student loan forgiveness from \$5,000 to \$15,000, for teachers who teach math, science, special education, bilingual education, or early education in these areas.

Good teachers in our schools are essential for preparing students to enter college. We must do all we can to support them and give them the training necessary to enable all students to achieve.

In total dollars, the size of this legislation is approximately \$15 billion a

year. For a sense of context, I would note that we have just approved an \$87 billion package for Iraq, have a \$786 billion annual discretionary budget, and a \$2.3 trillion annual mandatory and discretionary budget. This legislation is comparatively small.

There are three types of cost included. First, there are the tax provisions that total approximately \$9.2 billion a year—the same size as the President's tax breaks on dividend and capital gain income. We should replace those dividend and capital gains cuts for the very wealthy instead with the education tax benefits included in this legislation for families trying to pay for college.

Second, there are about \$1.3 billion in annual changes to the student loan program for which this legislation fully pays. The bill eliminates windfall profits to lenders in the loan program in order to pay fully for the elimination student loan origination fees and to enable borrowers out of school to refinance their consolidated loans.

In particular, this bill closes a loophole in the student loan program whereby taxpayers subsidize a small minority of lenders to the tune of over \$400 million a year in order to assure them a 9.5 percent rate of return. 9.5 percent is too much in today's interest rate environment. All lenders should receive the same guaranteed market rate of return for participating in the student loan program and no more.

Finally, the legislation includes approximately \$4.5 billion in annual increases in discretionary education spending. That amount equals one half of one percent of the discretionary budget and is the same amount that education funding increased last year. It is a modest proposal, frankly.

In the past, higher education policy helped the poor and the middle class together. In recent years, though, we have developed separate approaches for these two groups—grants for the poor, and tax benefits for the middle class. The median family income of recipients of Pell grants is \$15,000 a year. The HOPE Scholarship tax credit is available only to families with more than \$40,000 in income.

Because of the high cost of higher education for everyone, and because each student's own interest in a college education is also in our common interest, this bill will help both hard-pressed low-income and hard-pressed middle income families to send their children to college and prepare them for the future.

Our bill has the support of a variety of national groups: the United States Students' Association, the United States Public Interest Research Group, the Direct Loan Coalition, the National Council for Community and Education Partnerships, the Council for Opportunity in Education, the College Migrant Association, the National Association of Secondary School Principals, the American Federation of Teachers, the National Education Association, and Kaplan, Inc.

Quality, affordability, and diversity—these are the focus of this act because these are the three great challenges we face today in higher education policy and each closely related to the others. Together, we can meet these new challenges in this new century and make the promise of Education Security a reality not just a reality for some of our citizens but a reality for all of our citizens.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1793

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "College Quality, Affordability, and Diversity Improvement Act of 2003".

#### SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Findings.

#### TITLE I—ACCESS TO COLLEGE FOR ALL

- Sec. 101. Pell Grants.
- Sec. 102. Expansion of Hope scholarships.
- Sec. 103. Elimination of origination fees and adjustment of fees and terms.
- Sec. 104. Direct Loan Reward Program.
- Sec. 105. Costs of higher education.
- Sec. 106. Credit for interest on higher education loans.
- Sec. 107. Refinancing authority for Federal Direct Consolidation Loan.
- Sec. 108. Loans funded through tax-exempt securities.
- Sec. 109. Windfall profit offset.
- Sec. 110. Support for working students.
- Sec. 111. Student eligibility.
- Sec. 112. Authorization of appropriations levels for campus-based aid.
- Sec. 113. Special programs for students whose families are engaged in migrant and seasonal farm-work.
- Sec. 114. Loan forgiveness and cancellation for certain teachers.
- Sec. 115. Revision of tax table.
- Sec. 116. Income contingent repayment for public sector employees.

#### TITLE II—TEACHER QUALITY ENHANCEMENT

- Sec. 201. Amendment to title II.

#### TITLE III—DIVERSITY, RETENTION, AND ENRICHED ACADEMICS FOR MATRICULATING STUDENTS

- Sec. 301. Test preparation for low-income students.
- Sec. 302. Admissions and retention.
- Sec. 303. Federal Trio program.
- Sec. 304. Gear Up.
- Sec. 305. Leveraging educational assistance partnership program.

#### TITLE IV—OPPORTUNITIES AT HISPANIC-SERVING INSTITUTIONS

- Sec. 401. Postbaccalaureate opportunities for Hispanic Americans.
- Sec. 402. Definitions.
- Sec. 403. Authorized activities.
- Sec. 404. Elimination of wait-out period.
- Sec. 405. Application priority.

#### TITLE V—HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

- Sec. 501. Professional or graduate institutions.

Sec. 502. Graduate and professional degree development program.

Sec. 503. Authorization of appropriations.

Sec. 504. Patsy T. Mink fellowship program.

#### TITLE VI—RECRUITMENT OF TEACHERS TO TEACH AT TRIBAL COLLEGES OR UNIVERSITIES

Sec. 601. Loan repayment or cancellation for individuals who teach in Tribal Colleges or Universities.

Sec. 602. Amounts forgiven not treated as gross income.

#### SEC. 3. FINDINGS.

Congress finds the following:

(1) A college education is more important than ever, and the Federal Government should do more to make it affordable and accessible to all qualified students because—

(A) recent shifts in the economy have increased the demand for college-educated workers and increased the wage gap between college-educated workers and those without a degree (workers with a Bachelor's degree earn 75 percent more than workers with just a high school diploma); and

(B) jobs requiring some postsecondary education are expected to account for about 42 percent of total job growth from 2000 through 2010.

(2) Increased access to college, reformed admissions systems, and better retention of students are needed because—

(A) 65 percent of high-income students are on a college-preparatory track, whereas only 28 percent of low-income students are on a college-preparatory track;

(B) 7 times as many students from high-income families (48 percent) graduate from college by age 24 as students from low-income families (7 percent);

(C) 80 percent of 4-year institutions of higher education use the SAT in the admissions process;

(D) commercial SAT coaching classes, such as those run by Kaplan, Inc. and Princeton Review, have demonstrated effectiveness in raising a student's SAT score by 100 points or more, which can significantly improve a student's chance of getting into an elite college;

(E) SAT coaching programs range from \$700 to \$3,000 per course and the costs are prohibitive for low-income students;

(F) those students who receive SAT coaching tend to be disproportionately middle or upper class;

(G) 34 percent of students who receive SAT coaching are from families whose combined annual income is between \$40,000 and \$80,000, and 43 percent are from families whose combined annual income is more than \$80,000;

(H) applying to college early decision provides an advantage to an applicant equal to an additional 100 points on the SAT;

(I) low-income students are less able to apply to colleges early decision because such students need to compare the financial aid packages at different colleges;

(J) 40 percent of all Whites age 18 through 24 are enrolled in institutions of higher education, whereas only 30 percent of all African-Americans and only 16 percent of all Hispanics are enrolled in institutions of higher education;

(K) nearly 4 out of every 10 Hispanics enrolled full time in 4-year colleges drop out within 3 years of their initial enrollment, African-Americans are half as likely as White students to complete a Bachelor's degree in 4 years, and low-income students are half as likely as upper-income students to complete a Bachelor's degree in 4 years;

(L) in 1990, 1 in 4 Americans was a member of a minority group, and in 2001, 1 in 3 Americans was a member of a minority group;

(M) low-income, college-qualified high school graduates have an annual "unmet

need" of \$3,800 in college expenses, expenses not covered by grants, loans, work, or family savings;

(N) 46 percent of all students who work in addition to being full-time students report 25 hours or more a week of employment; and

(O) 50 percent of those employed more than 25 hours a week report that working hurts their grades and retention in college, and students who work more than 35 hours a week are considerably less likely to complete a year of college than those who work less than 15 hours a week.

(3) Federal student aid is too focused on loans instead of grant aid because—

(A) although approximately \$55,000,000,000 is made available annually in direct and indirect Federal aid to postsecondary education students and their families, in 2002, 60 percent of such Federal student aid was in the form of loans while only 40 percent was in the form of grants, a reversal of the distribution 20 years ago;

(B) the purchasing power of the Pell Grant has declined since Pell Grants cover only 40 percent of average fixed costs at 4-year public colleges, about half of what they covered 25 years ago;

(C) 15 years ago Pell Grants covered 98 percent of average tuition at 4-year public colleges, whereas today Pell Grants only cover 64 percent on average;

(D) the Federal Government saves money under the Direct Loan program and makes a profit of 3.5 cents on every dollar lent under the Direct Lending program, while it loses 10.37 cents on every dollar lent under the Federal Family Education Loan Program; and

(E) average student indebtedness is \$17,000, and reaches over \$120,000 for professional school graduates.

(4) The Federal Government should do more to help States, local educational agencies, and schools ensure a qualified teacher in every classroom because under the No Child Left Behind Act of 2001, States are required to ensure that all teachers teaching in core academic subjects within the State are "highly qualified" not later than the end of the 2005-2006 school year. States need to do much more to meet the challenges in the new Federal law. In the 1999-2000 school year, 29 percent of elementary school students, 59 percent of middle school students, and 29 percent of high school students were taught by teachers without both a major and certification in the subject in which they taught.

(5) There is a severe shortage of qualified teachers, especially in high-need fields and low-income areas because—

(A) approximately a third of America's teachers leave teaching sometime during their first 3 years of teaching and almost half leave during the first 5 years;

(B) overall turnover rate for teachers in high-poverty areas is almost a third higher than it is for teachers in all schools;

(C) underqualified teachers are more often found in high-poverty schools; and

(D) in low-poverty secondary schools, approximately 1/3 of students are taught by a teacher who lacks either a college degree in the subject area in which the teacher teaches or certification in such subject area, while in high-poverty secondary schools, approximately 1/2 of students are taught by such a teacher.

(6) Teacher shortages are more severe in some fields than in others:

(A) Employment opportunities in teaching special education are expected to grow 21 to 35 percent through 2010, an increase of over 150,000 positions.

(B) The most recent data from a 1994 General Accounting Office report estimates a

shortage of 100,000 to 200,000 bilingual teachers, even as the limited English proficient student population continues to grow.

(C) It is estimated that of the 2,000,000 teachers needed over the next 10 years, almost 200,000 will be secondary school mathematics and science teachers.

#### TITLE I—ACCESS TO COLLEGE FOR ALL SEC. 101. PELL GRANTS.

(a) APPROPRIATION OF FUNDS FOR PELL GRANTS.—There are authorized to be appropriated and there are appropriated, out of any money in the Treasury not otherwise appropriated for the fiscal year ending September 30, 2004, for carrying out subpart 1 of part A of title IV of the Higher Education Act of 1965, \$14,515,000,000.

(b) AUTHORIZATION AMOUNT AND MAXIMUM PELL GRANT.—Section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (A), by striking “appropriation Act” and inserting “appropriation Act or subparagraph (C)”;

(B) by adding at the end the following:

“(C) The maximum Pell Grant for which a student shall be eligible during award year 2004–2005 shall be \$4,500.”; and

(2) in paragraph (2)(A), by striking clauses

(i) through (v) and inserting the following:

“(i) \$7,600 for academic year 2005–2006;

“(ii) \$8,600 for academic year 2006–2007;

“(iii) \$9,600 for academic year 2007–2008;

“(iv) \$10,600 for academic year 2008–2009; and

“(v) \$11,600 for academic year 2009–2010.”.

#### SEC. 102. EXPANSION OF HOPE SCHOLARSHIPS.

(a) EXPANSION OF HOPE SCHOLARSHIP CREDIT.—

(1) DOUBLE MAXIMUM CREDIT TO \$3,000.—Subsection (b) of section 25A of the Internal Revenue Code of 1986 (relating to Hope and Lifetime Learning credits) is amended by striking “2” in paragraph (4) and inserting “3”.

(2) CREDIT AVAILABLE FOR 4 YEARS.—Subsection (b) of section 25A of such Code is amended by striking “2” each place it appears in paragraphs (2)(A), (2)(C), and (4) and inserting “4”.

(3) REFUNDABLE CREDIT.—

(A) IN GENERAL.—Section 25A of such Code is hereby moved to subpart C of part IV of subchapter A of chapter 1 of such Code (relating to refundable credits) and inserted after section 35.

(B) TECHNICAL AMENDMENTS.—

(i) Section 36 of such Code is redesignated as section 37.

(ii) Section 25A of such Code (as moved by subsection (a)) is redesignated as section 36.

(iii) Paragraph (1) of section 36(a) of such Code (as redesignated by paragraph (2)) is amended by striking “this chapter” and inserting “this subtitle”.

(iv) Subparagraph (B) of section 72(t)(7) of such Code is amended by striking “section 25A(g)(2)” and inserting “section 36(g)(2)”.

(v) Subparagraph (A) of section 135(d)(2) of such Code is amended by striking “section 25A” and inserting “section 36”.

(vi) Section 221(d) of such Code is amended—

(I) by striking “section 25A(g)(2)” in paragraph (2)(B) and inserting “section 36(g)(2)”;

(II) by striking “section 25A(f)(2)” in paragraph (2)(B) and inserting “section 36(f)(2)”, and

(III) by striking “section 25A(b)(3)” in paragraph (3) and inserting “section 36(b)(3)”.

(vii) Section 222 of such Code is amended—

(I) by striking “section 25A” in subparagraph (A) of subsection (c)(2) and inserting “section 36”;

(II) by striking “section 25A(f)” in subsection (d)(1) and inserting “section 36(f)”, and

(III) by striking “section 25A(g)(2)” in subsection (d)(1) and inserting “section 36(g)(2)”.

(viii) Section 529 of such Code is amended—

(I) by striking “section 25A(g)(2)” in subclause (I) of subsection (c)(3)(B)(v) and inserting “section 36(g)(2)”;

(II) by striking “section 25A” in subclause (II) of subsection (c)(3)(B)(v) and inserting “section 36”;

(III) by striking “section 25A(b)(3)” in clause (i) of subsection (e)(3)(B) and inserting “section 36(b)(3)”.

(ix) Section 530 of such Code is amended—

(I) by striking “section 25A(g)(2)” in subclause (I) of subsection (d)(2)(C)(i) and inserting “section 36(g)(2)”;

(II) by striking “section 25A” in subclause (II) of subsection (d)(2)(C)(i) and inserting “section 36”;

(III) by striking “section 25A(g)(2)” in clause (iii) of subsection (d)(4)(B) and inserting “section 36(g)(2)”.

(x) Subsection (e) of section 6050S of such Code is amended by striking “section 25A” and inserting “section 36”.

(xi) Subparagraph (J) of section 6213(g)(2) of such Code is amended by striking “section 25A(g)(1)” and inserting “section 36(g)(1)”.

(xii) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period “or from section 36 of such Code”.

(xiii) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 36 and inserting the following:

“Sec. 36. Hope and Lifetime Learning credits.

“Sec. 37. Overpayments of tax.”.

(xiv) The table of sections for subpart A of such part IV is amended by striking the item relating to section 25A.

(4) CREDIT ALLOWED FOR COST OF ATTENDANCE.—

(A) IN GENERAL.—

(i) Subsection (b) of section 36 of such Code, as moved and redesignated by paragraph (3), is amended by striking “qualified tuition and related expenses” each place it occurs and inserting “cost of attendance”.

(ii) Subsection (f) of such section 36 is amended by adding at the end the following new paragraph:

“(3) NO PELL REDUCTION.—The term ‘cost of attendance’ has the meaning given such term in section 472 of the Higher Education Act of 1965, except that the term shall not include any costs described in paragraph (4) or (5) of such section.”.

(B) CONFORMING AMENDMENTS.—

(i) Subsection (b)(1)(B) of such section 36 is amended by striking “such expenses” and inserting “such cost”.

(ii) Subsections (e) and (g) of such section 36 are amended by inserting “the cost of attendance or” before “qualified” each place it appears.

(5) EXPANSION OF LIMITATION.—

(A) IN GENERAL.—Subsection (d) of section 36 of such Code, as moved and redesignated by paragraph (3), is amended—

(i) in paragraph (1), by striking the period and inserting “in the case of the Lifetime Learning Credit and paragraph (3) in the case of the Hope Scholarship Credit.”;

(ii) in paragraph (2), by inserting “FOR THE LIFETIME LEARNING CREDIT” in the heading after “REDUCTION”, and

(iii) by redesignating paragraph (3) as paragraph (4) and by adding after paragraph (2) the following new paragraph:

“(3) AMOUNT OF REDUCTION FOR HOPE SCHOLARSHIP CREDIT.—The amount determined under this paragraph is the amount which

bears the same ratio to the amount which would be so taken into account as—

“(A) the excess of—

“(i) the taxpayer’s modified adjusted gross income for such taxable year, over

“(ii) the sum of—

“(I) the amount of any education assistance received by the student that is not subject to tax under this chapter, and

“(II) \$40,000 (\$80,000 in the case of a joint return), bears to

“(B) \$10,000 (\$20,000 in the case of a joint return).”.

(B) CONFORMING AMENDMENTS.—Subsection (h) of such section 36 is amended—

(i) in paragraph (2), by inserting “FOR THE LIFETIME LEARNING CREDIT” in the heading after “LIMITS”, and

(ii) by inserting at the end the following new paragraph:

“(3) INCOME LIMITS FOR HOPE SCHOLARSHIP CREDIT.—

“(A) IN GENERAL.—In the case of a taxable year beginning after 2003, the \$40,000 and \$80,000 amounts in subsection (d)(3) shall each be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2002’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of \$1,000, such amount shall be rounded to the next lowest multiple of \$1,000.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

#### SEC. 103. ELIMINATION OF ORIGINATION FEES AND ADJUSTMENT OF FEES AND TERMS.

(a) DIRECT LOANS.—Section 455(c) of the Higher Education Act of 1965 (20 U.S.C. 1087e(c)) is amended to read as follows:

“(c) LOAN FEE.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall charge the borrower of a loan made under this part an origination fee of 4.0 percent of the principal amount of the loan.

“(2) EXCEPTION FOR SUBSIDIZED LOANS.—The Secretary may not charge the borrower of a loan made under this part an origination fee if the borrower receives an interest subsidy for such loan.”.

(b) FFEL PROGRAM.—Section 438(c) of the Higher Education Act of 1965 (20 U.S.C. 1087-1(c)) is amended by adding at the end the following:

“(9) TERMINATION OF ORIGINATION FEES FOR SUBSIDIZED LOANS.—Notwithstanding any other provision of this subsection, with respect to any loan made, insured, or guaranteed under this part on or after the first July 1 after the date of enactment of this paragraph for which a borrower receives an interest subsidy under section 428(a)—

“(A) no eligible lender may collect directly or indirectly from the borrower any origination fee with respect to such loan, or any other fee relating to the origination of a loan however described; and

“(B) the Secretary shall not collect any origination fee from the lender under this subsection.”.

(c) ADJUSTMENT OF FEES AND LOANS FOR DIRECT LOANS.—Section 455 of the Higher Education Act of 1965 (20 U.S.C. 1087e) is amended by adding at the end the following:

“(m) ADJUSTMENT OF FEES AND LOANS.—Notwithstanding any other provision of law, the Secretary shall adjust the fees and terms for Federal Direct Unsubsidized Stafford Loans to be equal to the fees and terms for loans made to borrowers under section 428H.”.

**SEC. 104. DIRECT LOAN REWARD PROGRAM.**

Part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) is amended by adding at the end the following:

**“SEC. 460A. DIRECT LOAN REWARD PROGRAM.**

“(a) **SHORT TITLE.**—This section may be cited as the ‘Direct Loan Reward Act’.

“(b) **PROGRAM AUTHORIZED.**—The Secretary shall carry out a Direct Loan Reward Program to encourage institutions of higher education to participate in the student loan program under this part.

“(c) **PROGRAM REQUIREMENTS.**—In carrying out the Direct Loan Reward Program, the Secretary shall—

“(1) provide to each institution of higher education participating in the student loan program under this part a financial reward payment, in an amount determined in accordance with subsection (d), to encourage the institution to provide student loans under this part;

“(2) require each institution of higher education receiving a payment under this section to provide student loans under this part for a period of 5 years from the date the payment is made;

“(3) require that funds paid to institutions of higher education under this section be used to award students Federal Supplemental Educational Opportunity Grants in accordance with subpart 3 of part A, except that an institution of higher education shall not be required to provide any matching funds with respect to such awards; and

“(4) for a period of 2 years beginning on the date of enactment of this section, encourage all institutions of higher education to participate in the Direct Loan Reward Program.

“(d) **AMOUNT.**—The amount of a financial reward payment under this section shall be—

“(1) in the case of the first year of an institution of higher education’s participation in the Direct Loan Reward Program, an amount equal to 50 percent of the savings to the Federal Government generated by the institution’s participation in the student loan program under this part instead of the institution’s participation in the student loan program under part B; and

“(2) in the case of the second through fifth years of an institution of higher education’s participation in the Direct Loan Reward Program, an amount equal to 10 percent of the savings to the Federal Government generated by the institution’s participation in the student loan program under this part instead of the institution’s participation in the student loan program under part B.

“(e) **TRIGGER TO ENSURE COST NEUTRALITY.**—

“(1) **LIMIT TO ENSURE COST NEUTRALITY.**—Notwithstanding subsection (d), the Secretary shall not distribute financial reward payments under the Direct Loan Reward Program that, in the aggregate, exceed the Federal savings resulting from implementation of the Direct Loan Reward Program.

“(2) **FEDERAL SAVINGS.**—In calculating Federal savings, as used in paragraph (1), the Secretary shall determine any Federal savings on loans made to students at institutions of higher education that participate in the Direct Loan Reward Program and that, on the date of enactment of the Direct Loan Reward Program, participated in the student loan program under part B, resulting from the difference of—

“(A) the Federal cost of loan volume made under this part; and

“(B) the Federal cost of an equivalent type and amount of loan volume made, insured, or guaranteed under part B.

“(3) **DISTRIBUTION RULES.**—If the Federal savings determined under paragraph (2) is not sufficient to distribute full financial reward payments under the Direct Loan Reward Program, the Secretary shall—

“(A) first make financial reward payments to those institutions of higher education that participated in the student loan program under part B on the date of enactment of the Direct Loan Reward Program; and

“(B) with any remaining Federal savings after making payments under subparagraph (A), make financial reward payments to the institutions of higher education not described in subparagraph (A) on a pro-rata basis.

“(4) **CARRY OVER.**—Any institution of higher education that receives a reduced financial reward payment under paragraph (3)(B), shall remain eligible for the unpaid portion of such institution’s financial reward payment, as well as any additional financial reward payments for which the institution is otherwise eligible, in subsequent fiscal years.”.

**SEC. 105. COSTS OF HIGHER EDUCATION.**

(a) **SUPPORTING REDUCED TUITION INCREASES.**—Part C of title I of the Higher Education Act of 1965 (20 U.S.C. 1015 et seq.) is amended by adding at the end the following:

**“SEC. 132. ECONOMIES OF SCALE.**

“(a) **AUTHORIZATION.**—

“(1) **IN GENERAL.**—The Secretary is authorized to award grants, on a competitive basis, to university consortia to enable such consortia to engage in endeavors to reduce college costs.

“(2) **UNIVERSITY CONSORTIUM.**—In this section, the term ‘university consortium’ means a consortium of not less than 5 two- or four-year degree granting institutions of higher education that receive assistance under title IV.

“(3) **DURATION.**—Grants awarded under this section shall be for a period of not more than 4 years.

“(b) **APPLICATION.**—

“(1) **IN GENERAL.**—A university consortium that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary determines appropriate.

“(2) **CONTENT.**—An application submitted under paragraph (1) shall include—

“(A) a list of the institutions of higher education that are partners in the university consortium;

“(B) a letter of intent to participate in the university consortium from each partner institution of higher education;

“(C) a general description of the nature of the programs, activities, or other cost-cutting measures to be carried out by the university consortium with funds received under this section, and the cost of such programs, activities, or other cost-cutting measures;

“(D) a description of how such activities are expected to result in cost savings for all partner institutions of higher education;

“(E) an estimation of how much money will be saved through such activities;

“(F) an assurance that when the university consortium efforts begin to post savings for the partner institutions of higher education, not less than 50 percent of the savings will be passed to students by cutting or maintaining student tuition rates or increasing student aid;

“(G) an assurance that each partner institution of higher education will not raise tuition more than twice the inflation change tracked pursuant to section 131(c)(4) from academic year to subsequent academic year during the life of the grant;

“(H) a general timeline of how the university consortium will carry out planned activities and when savings are expected to be posted; and

“(I) a statement as to how the university consortium plans to provide matching funds required under this section.

“(3) **PEER REVIEW PANEL.**—

“(A) **IN GENERAL.**—The Secretary shall submit to a peer review panel each application submitted under paragraph (1).

“(B) **COMPOSITION.**—The peer review panel shall consist of representatives from—

“(i) higher education, including professors;

“(ii) the Department; and

“(iii) the business community.

“(C) **APPROVAL OR DISAPPROVAL.**—With respect to each application, the peer review panel shall recommend whether each applicant should be awarded a grant under this section.

“(c) **AWARDING OF GRANTS.**—

“(1) **GEOGRAPHIC DISTRIBUTION.**—In awarding grants under this section, the Secretary shall take into consideration providing an equitable geographic distribution of the grants throughout the United States.

“(2) **MAXIMUM AWARD.**—A grant award under this section shall be not more than \$200,000. Not more than \$75,000 may be awarded in the first year of the grant award and remaining funds shall be evenly divided over the remaining 3 years.

“(d) **ACTIVITIES.**—

“(1) **COST-CUTTING ACTIVITIES.**—A university consortium awarded a grant under this section shall use the grant funds to cut partner institution of higher education costs by carrying out 1 or more of the following activities:

“(A) Cooperative purchasing of health care and other employee benefit plans.

“(B) Cooperative purchasing of technology infrastructure.

“(C) Joint degree programs.

“(D) Expansion of joint distance education programs across institutions of higher education.

“(E) Shared library acquisitions.

“(F) Development and implementation of a credit transfer system among partner institutions of higher education.

“(G) Development and implementation of cooperative billing structures.

“(H) Development and implementation of joint professional development for faculty and staff.

“(I) Joint legal counsel.

“(J) Other activities that have the effect of cutting partner institution of higher education costs.

“(2) **FURTHER ACTIVITIES.**—A university consortium may carry out activities not listed in paragraph (1) in addition to carrying out 1 or more activities listed in paragraph (1).

“(3) **COST SAVINGS TO STUDENTS.**—Each partner institution of higher education of a university consortium awarded a grant under this section shall—

“(A) not raise tuition more than twice the rate of inflation from academic year to subsequent academic year during the life of the grant; and

“(B) pass on to the students at such institution not less than 50 percent of the savings from the grant by cutting or maintaining student tuition rates or increasing student aid.

“(e) **MATCHING FUNDS.**—

“(1) **IN GENERAL.**—Each university consortium awarded a grant under this section shall provide matching funds from non-Federal sources to carry out activities under this section in an amount equal to—

“(A) 40 percent of the grant award in the first year;

“(B) 50 percent of the grant award in the second year;

“(C) 65 percent of the grant award in each of the third and fourth years; and

“(D) 80 percent of the grant award in the fifth year.

“(2) IN-KIND CONTRIBUTIONS.—Not more than 50 percent of the matching funds required under paragraph (1) may be provided in the form of in-kind contributions.

“(f) ONE-TIME AWARD.—A university consortium may receive a grant under this section only one time.

“(g) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this section shall be used to supplement, not supplant, other funds available for institutional or campus-based student aid.

“(h) REPORTING.—

“(1) ANNUAL REPORT.—

“(A) IN GENERAL.—Each university consortium awarded a grant under this section shall submit an annual report to the Secretary on progress toward meeting the purposes of this section.

“(B) CONSEQUENCES OF NOT MAKING SUBSTANTIAL PROGRESS.—If the Secretary, after consultation with the peer review panel described in subsection (b)(3), determines that the university consortium is not making substantial progress in meeting the purposes and goals of this section, as appropriate, by the end of the second year of the grant, the grant shall not be continued for the third and fourth year of the grant.

“(2) REPORT BY THE SECRETARY.—The Secretary shall—

“(A) conduct an analysis on the overall effectiveness of university consortia in cutting college costs and passing savings on to students; and

“(B) make the analysis under subparagraph (A) available to Congress and the public biannually.

“(i) NATIONAL ACTIVITIES.—The Secretary may reserve not more than 5 percent of the funds appropriated for this section for any fiscal year for—

“(1) peer review of applications;

“(2) conducting the analysis required under subsection (h)(3); and

“(3) technical assistance.

“(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$5,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.”

(b) COLLEGE COST SUMMIT.—Part C of title I of the Higher Education Act of 1965 (20 U.S.C. 1015 et seq.), as amended by subsection (a), is further amended by adding at the end the following:

**“SEC. 133. COLLEGE COST SUMMIT.**

“(a) IN GENERAL.—The Secretary shall convene a college cost summit with representatives of competing peer institutions of higher education for the purpose of negotiating voluntarily agreed upon limits on future college tuition and fee increases.

“(b) SECRETARIAL APPROVAL.—No agreement reached pursuant to subsection (a) shall take effect absent approval by the Secretary.

“(c) ANTITRUST EXEMPTION.—

“(1) DEFINITIONS.—In this subsection:

“(A) ANTITRUST LAWS.—The term ‘antitrust laws’ has the meaning given such term in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent such section 5 applies to unfair methods of competition.

“(B) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’—

“(i) means an institution of higher education as defined in section 101; and

“(ii) includes any individual acting on behalf of such an institution.

“(2) EXEMPTION.—The antitrust laws shall not apply to any joint discussion, consideration, review, action, or agreement by or among institutions of higher education or

their representatives pursuant to this section and for the purpose of, and limited to, negotiating voluntarily agreed upon limits on future college tuition and fee increases, approved by the Secretary.”

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

**“Subpart 9—Maintenance of Effort**

**“SEC. 420K. MAINTENANCE OF EFFORT.**

“(a) IN GENERAL.—A public institution of higher education is eligible to receive the full amount of assistance under this title for any fiscal year only if the Secretary determines that the State in which the public institution of higher education is located maintains not less than 90 percent of its support for higher education from the preceding fiscal year, as demonstrated by the State aggregate expenditures with respect to the provision of higher education.

“(b) WAIVER.—The Secretary may waive the requirements of this section if the Secretary determines that a waiver would be equitable due to—

“(1) exceptional or uncontrollable circumstances, such as a natural disaster; or

“(2) a precipitous, unpredicted, and unprecipitated decline in State budget authority.

“(c) CONSEQUENCES OF FAILURE TO MAINTAIN EFFORT.—Notwithstanding any other provision of this Act, the Secretary shall adjust the level of assistance available to institutions described in subsection (a) by restoring the Pell Grant maximum under this part and student loan fees under parts B and D to their levels on June 30, 2004.”

(d) TRUTH-IN-TUITION.—Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), as amended by subsection (c), is further amended by adding at the end the following:

**“Subpart 10—Truth-in-Tuition**

**“SEC. 420L. DISCLOSURE IN APPLICATION.**

“An institution of higher education that receives Federal funds and is eligible for assistance under this title shall include in materials accompanying an application for admission to the institution up to date annual trend information regarding the extent and average amount of such institution’s tuition and fee discounts.”

(e) COLLEGE CONSUMER PRICE INFORMATION.—Section 131(c)(4) of the Higher Education Act of 1965 (20 U.S.C. 1015(c)(4)) is amended to read as follows:

“(4) HIGHER EDUCATION MARKET BASKET.—

“(A) IN GENERAL.—The Bureau of Labor Statistics, in consultation with the Commissioner for Education Statistics, shall develop a higher education cost index that tracks inflation changes in the necessary costs associated with higher education.

“(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph \$7,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.”

**SEC. 106. CREDIT FOR INTEREST ON HIGHER EDUCATION LOANS.**

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following new section:

**“SEC. 25C. INTEREST ON HIGHER EDUCATION LOANS.**

“(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the interest paid by the taxpayer during the taxable year on any qualified education loan.

“(b) MAXIMUM CREDIT.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowed by subsection (a) for the taxable year shall not exceed \$1,500.

“(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

“(A) IN GENERAL.—If the modified adjusted gross income of the taxpayer for the taxable year exceeds \$50,000 (\$100,000 in the case of a joint return), the amount which would (but for this paragraph) be allowable as a credit under this section shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so allowable as such excess bears to \$10,000 (\$20,000 in the case of a joint return).

“(B) MODIFIED ADJUSTED GROSS INCOME.—The term ‘modified adjusted gross income’ means adjusted gross income determined without regard to sections 911, 931, and 933.

“(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2004, the \$50,000 and \$100,000 amounts referred to in subparagraph (A) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘2003’ for ‘1992’.

“(D) ROUNDING.—If any amount as adjusted under subparagraph (C) is not a multiple of \$50, such amount shall be rounded to the nearest multiple of \$50.

“(c) DEPENDENTS NOT ELIGIBLE FOR CREDIT.—No credit shall be allowed by this section to an individual for the taxable year if a deduction under section 151 with respect to such individual is allowed to another taxpayer for the taxable year beginning in the calendar year in which such individual’s taxable year begins.

“(d) LIMIT ON PERIOD CREDIT ALLOWED.—A credit shall be allowed under this section only with respect to interest paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this paragraph, any loan and all refinancings of such loan shall be treated as 1 loan.

“(e) DEFINITIONS.—For purposes of this section:

“(1) QUALIFIED EDUCATION LOAN.—The term ‘qualified education loan’ has the meaning given such term by section 221(d)(1).

“(2) DEPENDENT.—The term ‘dependent’ has the meaning given such term by section 152.

“(f) SPECIAL RULES.—

“(1) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section for any amount taken into account for any deduction under any other provision of this chapter.

“(2) MARRIED COUPLES MUST FILE JOINT RETURN.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and the taxpayer’s spouse file a joint return for the taxable year.

“(3) MARITAL STATUS.—Marital status shall be determined in accordance with section 7703.”

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25B the following new item:

“Sec. 25C. Interest on higher education loans.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any qualified education loan (as defined in section 25C(e)(1) of the Internal Revenue Code of 1986, as added by this section) incurred on, before, or after the date of enactment of this

Act, but only with respect to any loan interest payment due after December 31, 2002.

**SEC. 107. REFINANCING AUTHORITY FOR FEDERAL DIRECT CONSOLIDATION LOAN.**

Section 455(g) of the Higher Education Act of 1965 (20 U.S.C. 1087e(g)) is amended—

(1) by striking “A borrower” and inserting the following:

“(1) IN GENERAL.—A borrower”; and

(2) by adding at the end the following:

“(2) REFINANCING AUTHORITY.—

“(A) IN GENERAL.—Notwithstanding any other provision of this part, a borrower may refinance a Federal Direct Consolidation Loan at the prevailing fixed rate as determined by the Secretary, if the interest rate on such borrower’s Federal Direct Consolidation Loan is not less than the sum of 3.3 percent and the average of the bond equivalent rates of the 91-day Treasury bills auctioned for the previous calendar quarter.

“(B) ONE-TIME ONLY.—A borrower may refinance under subparagraph (A) only once.”.

**SEC. 108. LOANS FUNDED THROUGH TAX-EXEMPT SECURITIES.**

(a) REPEAL.—Subparagraph (B) of section 438(b)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087-1(b)(2)) is repealed.

(b) LOANS FUNDED THROUGH TAX-EXEMPT SECURITIES.—Section 438(b)(2) of the Higher Education Act of 1965 is amended further by inserting after subparagraph (A) the following:

“(B) Notwithstanding any other provision of law, the quarterly rate of the special allowance for the holders of loans financed directly, indirectly, or derivatively with funds obtained by the holders from the issuance of obligations, the income from which is excluded from gross income under the Internal Revenue Code of 1986, regardless of the date of the issuance of the obligations, shall be the quarterly rate of the special allowance established under subparagraph (A), (E), (F), (G), or (H), as the case may be.”.

**SEC. 109. WINDFALL PROFIT OFFSET.**

Section 438 of the Higher Education Act of 1965 (20 U.S.C. 1087-1) is amended by adding at the end the following:

“(g) WINDFALL PROFIT OFFSET.—

“(1) IN GENERAL.—Except as provided in paragraph (2), at the end of every fiscal quarter for which an eligible lender does not receive a special allowance payment under this section, the eligible lender shall pay to the Secretary of the Treasury for deposit into the Treasury as miscellaneous receipts a windfall profit offset payment for the fiscal quarter equal to the amount by which—

“(A) the aggregate amount of all payments of interest received by the eligible lender from borrowers on all loans made, insured, or guaranteed under this part during the fiscal quarter; exceeds

“(B) interest guaranteed the lender under this section for the fiscal quarter, irrespective of the amount received under subparagraph (A).

“(2) EXCEPTION.—An eligible lender shall not be subject to the requirement of paragraph (1) if the eligible lender is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and a nonprofit entity as defined by applicable State law, and meets the following requirements:

“(A) The eligible lender does not confer a salary or benefits to any employee of the lender in an amount that is in excess of the salary and benefits provided to the Secretary by the Department.

“(B) The eligible lender does not maintain an ongoing relationship whereby it passes on revenue directly or indirectly through lease, securitization, resale, or any other financial instrument to a for-profit entity or to shareholders.

“(C) The eligible lender does not offer benefits to a borrower in a manner directly or indirectly predicated on such borrower’s participation in a program under this part, part D, or with any particular lender.

“(D) The eligible lender certifies that it uses the windfall profit amount described in paragraph (1) to carry out the purposes of this Act through activities such as the following:

“(i) Conferring grants, scholarships, or loans.

“(ii) Financing work-study student employment.

“(iii) Carrying out activities authorized under chapters 1 and 2 of subpart 2 of part A.

“(E) The eligible lender is subject to public oversight through either a State charter, or not less than 50 percent of the lender’s board of directors consists of State appointed representatives.

“(F) The eligible lender does not engage in the marketing of the relative value of programs under this part as compared to programs under part D, nor does the lender engage in the marketing of loans or programs offered by for-profit lenders. This subparagraph shall not be construed to prohibit the eligible lender from conferring basic information on lenders under this part and the related benefits offered by such lenders.”.

**SEC. 110. SUPPORT FOR WORKING STUDENTS.**

(a) DEPENDENT STUDENTS.—Section 475(g)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087oo(g)(2)) is amended by striking subparagraph (D) and inserting the following:

“(D) \$9,000;”.

(b) INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.—Section 476(b)(1)(A) of the Higher Education Act of 1965 (20 U.S.C. 1087pp(b)(1)(A)) is amended by striking clause (iv) and inserting the following:

“(iv) \$13,000;”.

(c) INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—Section 477(b) of the Higher Education Act of 1965 (20 U.S.C. 1087qq(b)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (D) and inserting the following:

“(D) \$18,000;” and

(B) in subparagraph (E), by striking “paragraph (5)” and inserting “paragraph (4)”;

(2) by striking paragraph (4); and

(3) by redesignating paragraph (5) as paragraph (4).

(d) CONFORMING AMENDMENTS.—Section 478 of the Higher Education Act of 1965 (20 U.S.C. 1087rr) is amended—

(1) by striking subsection (b) and inserting the following:

“(b) INCOME PROTECTION ALLOWANCE.—For each academic year after academic year 1993-1994, the Secretary shall publish in the Federal Register a revised table of income protection allowances for the purpose of section 475(c)(4). Such revised table shall be developed by increasing each of the dollar amounts contained in the table in such section by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 1992 and the December next preceding the beginning of such academic year, and rounding the result to the nearest \$10.”; and

(2) in subsection (h)—

(A) in the first sentence, by striking “477(b)(5)” and inserting “477(b)(4)”;

(B) in the second sentence—

(i) by striking “477(b)(5)(A)” and inserting “477(b)(4)(A)”;

(ii) by striking “477(b)(5)(B)” and inserting “477(b)(4)(B)”.

**SEC. 111. STUDENT ELIGIBILITY.**

Section 484 of the Higher Education Act of 1965 (20 U.S.C. 1091) is amended by striking subsection (r).

**SEC. 112. AUTHORIZATION OF APPROPRIATIONS LEVELS FOR CAMPUS-BASED AID.**

(a) FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS.—Section 413A(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1070b(b)(1)) is amended by striking “\$675,000,000 for fiscal year 1999 and such sums as may be necessary for the 4 succeeding fiscal years” and inserting “\$1,000,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years”.

(b) FEDERAL WORK-STUDY PROGRAMS.—Section 441(b) of the Higher Education Act of 1965 (42 U.S.C. 2751(b)) is amended by striking “\$1,000,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “\$1,500,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years”.

(c) FEDERAL PERKINS LOANS.—Section 461(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1087aa(b)(1)) is amended by striking “\$250,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “\$300,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years”.

**SEC. 113. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK.**

Section 418A of the Higher Education Act of 1965 (20 U.S.C. 1070d-2) is amended—

(1) in subsection (f)—

(A) in paragraph (1), by striking “\$150,000” and inserting “\$225,000”; and

(B) in paragraph (2), by striking “\$150,000” and inserting “\$225,000”; and

(2) in subsection (h)—

(A) in paragraph (1)—

(i) by striking “\$15,000,000” and inserting “\$40,000,000”; and

(ii) by striking “1999” and inserting “2004”; and

(iii) by striking “4” and inserting “5”; and

(B) in paragraph (2)—

(i) by striking “\$5,000,000” and inserting “\$30,000,000”; and

(ii) by striking “1999” and inserting “2004”; and

(iii) by striking “4” and inserting “5”.

**SEC. 114. LOAN FORGIVENESS AND CANCELLATION FOR CERTAIN TEACHERS.**

(a) FFEL LOANS.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078-10) is amended—

(1) in subsection (c), by adding at the end the following:

“(3) ADDITIONAL AMOUNTS FOR HIGHLY QUALIFIED TEACHERS IN MATHEMATICS, SCIENCE, SPECIAL EDUCATION, OR BILINGUAL EDUCATION.—Notwithstanding the amount specified in paragraph (1) and the requirements of subsection (b)(1), the Secretary shall repay not more than \$15,000 in the aggregate of the loan obligation on a loan made under section 428 or 428H that is outstanding after the completion of the fifth complete school year of teaching described in subparagraphs (A) and (B) in the case of a teacher—

“(A) who has been employed as a full-time teacher for 5 consecutive complete school years in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools, except that the enrollment of children counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 exceeds 40 percent of the total enrollment of such school;

“(B) whose qualifying employment is teaching mathematics, science, special education, or bilingual education; and

“(C) who is highly qualified (as defined in section 9101 of the Elementary and Secondary Education Act of 1965).”; and

(2) by adding at the end the following:

“(i) EARLY EDUCATION TEACHERS.—

“(1) AUTHORIZATION.—The Secretary shall carry out a program, through the holder of the loan, of assuming the obligation to repay a qualified loan amount for a loan made under section 428 or 428H, in accordance with paragraph (2), for any new borrower on or after October 1, 1998, who—

“(A) has been employed as a full-time teacher for 5 consecutive complete school years in a Head Start or Early Head Start program under the Head Start Act (42 U.S.C. 9831 et seq.), or in another comparable pre-kindergarten program that serves children not less than 60 percent of whom are eligible to participate in a Head Start or Early Head Start program; and

“(B) is not in default on a loan for which the borrower seeks forgiveness.

“(2) QUALIFIED LOAN AMOUNT.—

“(A) IN GENERAL.—The Secretary shall repay not more than \$15,000 in the aggregate of the loan obligation on a loan made under section 428 or 428H that is outstanding after the completion of the fifth complete school year of teaching described in paragraph (1)(A).

“(B) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a loan made under section 428C may be a qualified loan amount for the purposes of this paragraph only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H for a borrower who meets the requirements of paragraph (1), as determined in accordance with regulations prescribed by the Secretary.”.

(b) DIRECT LOANS.—Section 460 of the Higher Education Act of 1965 (20 U.S.C. 1087j) is amended—

(1) in subsection (c), by adding at the end the following:

“(3) ADDITIONAL AMOUNTS FOR HIGHLY QUALIFIED TEACHERS IN MATHEMATICS, SCIENCE, SPECIAL EDUCATION, OR BILINGUAL EDUCATION.—Notwithstanding the amount specified in paragraph (1) and the requirements of subsection (b)(1)(A), the Secretary shall cancel not more than \$15,000 in the aggregate of the loan obligation on a Federal Direct Stafford Loan or a Federal Direct Unsubsidized Stafford Loan that is outstanding after the completion of the fifth complete school year of teaching described in subparagraphs (A) and (B) in the case of a teacher—

“(A) who has been employed as a full-time teacher for 5 consecutive complete school years in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools, except that the enrollment of children counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 exceeds 40 percent of the total enrollment of such school;

“(B) whose qualifying employment is teaching mathematics, science, special education, or bilingual education; and

“(C) who is highly qualified (as defined in section 9101 of the Elementary and Secondary Education Act of 1965).”; and

(2) by adding at the end the following:

“(i) EARLY EDUCATION TEACHERS.—

“(1) AUTHORIZATION.—The Secretary shall carry out a program of canceling the obligation to repay a qualified loan amount in accordance with paragraph (2) for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made under this

part for any new borrower on or after October 1, 1998, who—

“(A) has been employed as a full-time teacher for 5 consecutive complete school years in a Head Start or Early Head Start program under the Head Start Act (42 U.S.C. 9831 et seq.), or in another comparable pre-kindergarten program that serves children not less than 60 percent of whom are eligible to participate in a Head Start or Early Head Start program; and

“(B) is not in default on a loan for which the borrower seeks cancellation.

“(2) QUALIFIED LOAN AMOUNT.—

“(A) IN GENERAL.—The Secretary shall cancel not more than \$15,000 in the aggregate of the loan obligation on a Federal Direct Stafford Loan or a Federal Direct Unsubsidized Stafford Loan that is outstanding after the completion of the fifth complete school year of teaching described in paragraph (1)(A).

“(B) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a Federal Direct Consolidation Loan may be a qualified loan amount for the purposes of this paragraph only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H for a borrower who meets the requirements of paragraph (1), as determined in accordance with regulations prescribed by the Secretary.”.

#### SEC. 115. REVISION OF TAX TABLE.

Section 478(g) of the Higher Education Act of 1965 (20 U.S.C. 1087r(g)) is amended by adding at the end the following: “The Secretary shall develop such revised table only after consultation with appropriate committees of Congress.”.

#### SEC. 116. INCOME CONTINGENT REPAYMENT FOR PUBLIC SECTOR EMPLOYEES.

Section 455(e) of the Higher Education Act of 1965 (20 U.S.C. 1087e(e)) is amended by adding at the end the following:

“(7) REPAYMENT PLAN FOR PUBLIC SECTOR EMPLOYEES.—

“(A) IN GENERAL.—The Secretary shall forgive the balance due on any loan made under this part for a borrower—

“(i) who has made 120 payments on such loan pursuant to income contingent repayment; and

“(ii) who is employed, and was employed for the 10-year period in which the borrower made the 120 payments described in clause (i), in a public sector job.

“(B) PUBLIC SECTOR JOB.—In this paragraph, the term ‘public sector job’ means a full-time job in emergency management, government, public safety, law enforcement, public health, education (including early childhood education), or public interest legal services (including prosecution or public defense).

“(8) RETURN TO STANDARD REPAYMENT.—A borrower who is repaying a loan made under this part pursuant to income contingent repayment may choose, at any time, to terminate repayment pursuant to income contingent repayment and repay such loan under the standard repayment plan.”.

### TITLE II—TEACHER QUALITY ENHANCEMENT

#### SEC. 201. AMENDMENT TO TITLE II.

Title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.) is amended to read as follows:

### “TITLE II—TEACHER QUALITY ENHANCEMENT

#### “PART A—TEACHER QUALITY ENHANCEMENT GRANTS FOR STATES AND PARTNERSHIPS

##### “SEC. 201. PURPOSES; DEFINITIONS.

“(a) PURPOSES.—The purposes of this part are to—

“(1) improve student achievement;

“(2) increase the size and scope of programs funded under this part to meet the goal of having 100 percent of teachers as highly qualified teachers;

“(3) retain and recruit highly qualified individuals into the teaching force through incentives;

“(4) hold institutions of higher education accountable for preparing teachers, through coursework in pedagogy, with effective methods of teaching as a means of better preparing teachers for the modern day classroom;

“(5) improve the quality of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities;

“(6) hold institutions of higher education accountable for preparing teachers who have the necessary teaching skills and are highly competent in the academic content areas in which the teachers plan to teach, such as mathematics, science, English, reading or language arts, foreign languages, history, economics, art, civics, Government, and geography, including training in the effective uses of technology in the classroom;

“(7) recruit highly qualified individuals, including individuals from other occupations, into the teaching force, especially in subject areas of high need (including bilingual education, special education, mathematics, science, and early childhood education), geographic areas of high need, and in geographic areas with teacher vacancy or retention problems; and

“(8) encourage learning partnerships between students and parents that lead to improving student academic achievement and school performance.

“(b) DEFINITIONS.—In this part:

“(1) ARTS AND SCIENCES.—The term ‘arts and sciences’ means—

“(A) when referring to an organizational unit of an institution of higher education, any academic unit that offers 1 or more academic majors in disciplines or content areas corresponding to the academic subject matter areas in which teachers provide instruction; and

“(B) when referring to a specific academic subject matter area, the disciplines or content areas in which academic majors are offered by the arts and science organizational unit.

“(2) HIGH NEED LOCAL EDUCATIONAL AGENCY.—The term ‘high need local educational agency’ means a local educational agency in which—

“(A)(i) 30 percent of the students served by the agency are from families with incomes below the poverty line; or

“(ii) there are more than 20,000 students served by the agency from families with incomes below the poverty line; and

“(B)(i) there is a high percentage of teachers who are not highly qualified; or

“(ii) there is a high teacher turnover rate.

“(3) HIGH NEED SCHOOL.—The term ‘high need school’ means an elementary school or secondary school—

“(A) in which there is a high concentration of students from families with incomes below the poverty line; or

“(B) that is identified as in need of school improvement or corrective action pursuant to section 1116 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6316).

“(4) HIGHLY QUALIFIED.—The term ‘highly qualified’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(5) MENTORING.—The term ‘mentoring’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(6) PARENT.—The term ‘parent’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(7) PARENTAL INVOLVEMENT.—The term ‘parental involvement’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(8) POVERTY LINE.—The term ‘poverty line’ means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

“(9) PROFESSIONAL DEVELOPMENT.—The term ‘professional development’ has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965.

“(10) TEACHING SKILLS.—The term ‘teaching skills’ means skills—

“(A) grounded in the disciplines of teaching and learning that teachers use to create effective instruction in subject matter content and that lead to student achievement and the ability to apply knowledge; and

“(B) that require an understanding of the learning process itself, including an understanding of—

“(i) the use of strategies specific to the subject matter;

“(ii) the application of on-going assessment of student learning;

“(iii) individual differences in ability and instructional needs; and

“(iv) effective classroom management.

**“SEC. 202. PROGRAM AUTHORITY.**

“(a) COMPETITIVE GRANT PROGRAM.—If the amount appropriated to carry out this part for a fiscal year is less than \$270,000,000, then the Secretary shall use—

“(1) 25 percent of such funds to carry out the competitive State grant program under section 203; and

“(2) 75 percent of such funds to carry out the competitive partnership grant program under section 204.

“(b) FORMULA GRANT PROGRAM.—

“(1) IN GENERAL.—

“(A) AUTHORIZATION OF GRANTS.—If the amount appropriated to carry out this part for a fiscal year is equal to or exceeds \$270,000,000, then the Secretary shall use such funds to award a grant to each State from allotments under subparagraph (B).

“(B) ALLOTMENTS.—The Secretary shall make an allotment to each State in an amount that bears the same relation to the funds as the amount the State received under part A of title I of the Elementary and Secondary Education Act of 1965 for the preceding fiscal year bears to the amount received by all States under such part for the preceding fiscal year.

“(2) STATE USE OF FUNDS.—A State that receives an allotment under paragraph (1) shall expend—

“(A) 25 percent of such funds to carry out State level activities under subsections (d) and (e) of section 203; and

“(B) 75 percent of such funds to carry out the competitive partnership grant program under section 204.

**“SEC. 203. STATE GRANTS.**

“(a) IN GENERAL.—From amounts made available under section 210 for a fiscal year, the Secretary is authorized to award grants under this section, on a competitive basis, to eligible States to enable the eligible States to carry out the activities described in subsections (d) and (e).

“(b) ELIGIBLE STATE.—

“(1) DEFINITION.—In this part, the term ‘eligible State’ means a State educational agency.

“(2) CONSULTATION.—The State educational agency shall consult with the Governor,

State board of education, or State agency for higher education, as appropriate, with respect to the activities assisted under this section.

“(3) CONSTRUCTION.—Nothing in this subsection shall be construed to negate or supersede the legal authority under State law of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official.

“(c) APPLICATION.—To be eligible to receive a grant under this section, an eligible State shall, at the time of the initial grant application, submit an application to the Secretary that—

“(1) meets the requirement of this section;

“(2) includes a description of how the eligible State intends to use funds provided under this section; and

“(3) contains such other information and assurances as the Secretary may require.

“(d) REQUIRED USES OF FUNDS.—A State that receives a grant under this section shall use the grant funds to carry out the following activities:

“(1) RIGOROUS TEACHER CERTIFICATION OR LICENSURE PROGRAMS.—Ensuring that the State’s teacher certification or licensure program is rigorous and has high standards.

“(2) TEACHER RECRUITMENT.—

“(A) IN GENERAL.—Awarding scholarships to help students pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program.

“(B) SUPPORT SERVICES.—Providing support services, if needed, to enable scholarship recipients to complete postsecondary education programs.

“(C) ASSISTANCE TO BECOME HIGHLY QUALIFIED TEACHERS.—Providing teachers who are not highly qualified with the opportunity to take coursework or credentialing courses in order to become highly qualified teachers.

“(D) FOLLOWUP SERVICES.—Providing followup services to former scholarship recipients during the recipients first 3 years of teaching.

“(E) SERVICE REQUIREMENT.—The Secretary shall establish such requirements as the Secretary finds necessary to ensure that recipients of scholarships under this paragraph who complete teacher education programs subsequently teach in a high need local educational agency, for a period of time equivalent to the period for which the recipients receive scholarship assistance, or repay the amount of the scholarship. The Secretary shall use any such repayments to carry out additional activities under this section.

“(e) ALLOWABLE USES OF FUNDS.—A State that receives a grant under this section may use such funds to carry out any of the following activities:

“(1) REFORMS.—Implementing reforms that hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which the teachers plan to teach, and possess strong teaching skills, which may include the use of rigorous subject matter competency tests and the requirement that a teacher have an academic major in the subject area, or related discipline, in which the teacher plans to teach, and instruction for such teachers on how to involve parents in their children’s education.

“(2) CERTIFICATION OR LICENSURE REQUIREMENTS.—Reforming teacher certification or licensure requirements to ensure that teachers have the necessary teaching skills and academic content knowledge in the subject areas in which teachers are assigned to teach. States are encouraged to use funds to develop or enhance existing licensure and certification requirements for subject areas of high need (including bilingual education,

special education, mathematics, science, and early childhood education), including development of a State test.

“(3) ALTERNATIVE ROUTES TO CERTIFICATION FOR TEACHING.—Providing prospective teachers with alternative routes to traditional preparation for teaching through programs at colleges of arts and sciences or at non-profit educational organizations that have a proven record of effectiveness and include instruction in teaching skills. Strengthening or developing alternative routes to State certification of teachers programs that includes, at a minimum—

“(A) a selective means for admitting individuals into such programs that includes passage of State teacher exams in appropriate subject areas;

“(B) pedagogical course work, including formal instruction that addresses the theories and practices of teaching and monitoring student performance; and

“(C) support services, including mentoring for the individuals participating in the alternative State certification of teachers programs that focuses on—

“(i) helping the individuals develop effective teaching skills and strategies;

“(ii) professional development; and

“(iii) the disciplines of teaching and learning to ensure that prospective teachers have an understanding of research-based learning practices and possess skills related to the learning process.

“(4) TEACHER SUPPORT.—Carrying out programs that include support during the initial teaching experience.

“(5) RECRUITING AND HIRING TEACHERS.—

“(A) EFFECTIVE MECHANISMS.—Developing and implementing effective mechanisms to ensure that local educational agencies and schools are able to effectively recruit highly qualified teachers.

“(B) PROGRAMS.—Establishing programs that—

“(i) train and hire regular, special education, and bilingual education teachers (which may include hiring special education teachers to team-teach in classrooms that contain both children with disabilities and nondisabled children);

“(ii) train and hire highly qualified teachers of special needs children and limited English proficient students, as well as teaching specialists in core academic subjects who will provide individualized instruction to students;

“(iii) recruit qualified professionals from other fields, including highly qualified paraprofessionals (as defined in section 2102 of the Elementary and Secondary Education Act of 1965), and provide such professionals with alternative routes to teacher certification, including developing and implementing hiring policies that ensure comprehensive recruitment efforts as a way to expand the applicant pool, such as through identifying teachers certified through alternative routes, and using a system of intensive screening designed to hire the most qualified applicants; and

“(iv) provide increased opportunities for minorities, individuals with disabilities, and other individuals underrepresented in the teaching profession.

“(C) REDUCTION IN CLASS SIZE.—Recruiting and hiring highly qualified teachers to reduce class size, particularly in the early grades.

“(6) SOCIAL PROMOTION.—Development and implementation of efforts to address the problem of social promotion and to prepare teachers to effectively address the issues raised by ending the practice of social promotion.

“(7) SPECIAL CERTIFICATION FOR PROSPECTIVE AP TEACHERS.—Developing and implementing teacher preparation programs that

provide special certification in advanced placement (AP)-level or international baccalaureate (IB)-level content and pedagogy, including undergraduate specializations in in-depth study of subject-specific content and practical pedagogical experience through student teaching, and master degree level programs that lead to a master's degree in AP-level or IB-level content.

“(8) FINANCIAL INCENTIVES.—Providing financial incentives for teachers to teach in high need schools in which there exists a shortage of highly qualified teachers.

“SEC. 204. PARTNERSHIP GRANTS.

“(a) GRANTS.—The Secretary or State, as appropriate, shall use funds made available under section 202 to award grants under this section, on a competitive basis, to eligible partnerships to enable the eligible partnerships to carry out the activities described in subsections (d) and (e).

“(b) DEFINITIONS.—

“(1) ELIGIBLE PARTNERSHIPS.—In this part, the term ‘eligible partnerships’ means an entity that—

“(A) shall include—

“(i) a partner institution;

“(ii) a school of arts and sciences; and

“(iii) a high need local educational agency; and

“(B) may include a Governor, State educational agency, the State board of education, the State agency for higher education, an institution of higher education not described in subparagraph (A), a community college, a public charter school, a public or private elementary school or secondary school, a public or private nonprofit educational organization, a business, a teacher organization, or a prekindergarten program.

“(2) PARTNER INSTITUTION.—In this section, the term ‘partner institution’ means a private independent or State-supported public institution of higher education, the teacher training program of which demonstrates that—

“(A) graduates from the teacher training program exhibit strong performance on State-determined qualifying assessments for new teachers through—

“(i) demonstrating that 80 percent or more of the graduates of the program who intend to enter the field of teaching have passed all of the applicable State qualification assessments for new teachers, which shall include an assessment of each prospective teacher's subject matter knowledge in the content area or areas in which the teacher intends to teach; or

“(ii) being ranked among the highest-performing teacher preparation programs in the State as determined by the State—

“(I) using criteria consistent with the requirements for the State report card under section 207(b); and

“(II) using the State report card on teacher preparation required under section 207(b), after the first publication of such report card and for every year thereafter; or

“(B) the teacher training program requires all the students of the program to participate in intensive clinical experience, to meet high academic standards, and—

“(i) in the case of secondary school candidates, to successfully complete an academic major in the subject area in which the candidate intends to teach or to demonstrate competence through a high level of performance in relevant content areas; and

“(ii) in the case of elementary school candidates, to successfully complete an academic major in the arts and sciences or to demonstrate competence through a high level of performance in core academic subject areas.

“(c) APPLICATION.—Each eligible partnership desiring a grant under this section shall

submit an application to the Secretary or State, as appropriate, at such time, in such manner, and accompanied by such information as the Secretary or State, as appropriate, may require. Each such application shall—

“(1) contain a needs assessment of all the partners with respect to teaching and learning and a description of how the partnership will coordinate with other teacher training or professional development programs, and how the activities of the partnership will be consistent with State, local, and other education reform activities that promote student achievement and parent involvement;

“(2) contain a resource assessment that describes the resources available to the partnership, the intended use of the grant funds, including a description of how the grant funds will be fairly distributed in accordance with subsection (f), and the commitment of the resources of the partnership to the activities assisted under this part, including financial support, faculty participation, time commitments, and continuation of the activities when the grant ends; and

“(3) contain a description of—

“(A) how the partnership will meet the purposes of this part;

“(B) how the partnership will carry out the activities required under subsection (d) and any permissible activities under subsection (e); and

“(C) the partnership's evaluation plan pursuant to section 206(b).

“(d) REQUIRED USES OF FUNDS.—An eligible partnership that receives a grant under this section shall use the grant funds to carry out the following activities:

“(1) REFORMS.—Implementing reforms within teacher preparation programs to hold the programs accountable for preparing teachers who are highly competent in the academic content areas in which the teachers plan to teach, and for promoting strong teaching skills, including working with a school of arts and sciences and integrating reliable research-based teaching methods into the curriculum, which curriculum shall include programs designed to successfully integrate technology into teaching and learning.

“(2) CLINICAL EXPERIENCE AND INTERACTION.—Providing sustained and high-quality preservice clinical experience including the mentoring of prospective teachers by veteran teachers, and substantially increasing interaction between faculty at institutions of higher education and new and experienced teachers, principals, and other administrators at elementary schools or secondary schools, and providing support, including preparation time, for such interaction.

“(3) PROFESSIONAL DEVELOPMENT.—Creating opportunities for enhanced and ongoing professional development that improves the academic content knowledge of teachers in the subject areas in which the teachers are certified to teach or in which the teachers are working toward certification to teach, and that promotes strong teaching skills.

“(4) ENSURING ADEQUATE PREPARATION TO MEET HIGH STANDARDS.—Developing and implementing accountability measures for preservice—

“(A) training in reading;

“(B) training in addressing the needs of children with disabilities and limited English proficient individuals;

“(C) training in data analysis and how to use student achievement data to improve instruction; and

“(D) optional training in teaching advanced placement or international baccalaureate courses.

“(5) TEACHER PREPARATION AND PARENTAL INVOLVEMENT.—Preparing teachers with the knowledge and skills to enable such teachers to—

“(A) provide instruction to diverse student populations, including individuals with disabilities and limited English proficient individuals; and

“(B) work with and involve parents in their children's education and in the teacher preparation program reform process.

“(6) TEACHER PREPARATION ENHANCEMENT INTERNSHIP.—Developing a 1-year paid internship program for students who have completed a 4-year teacher education program to enable such students to develop the skills and experience necessary for success in teaching, including providing intensive clinical training and combining in-service instruction in teacher methods and assessments with classroom observations, experiences, and practices. Such interns would have a reduced teaching load and a mentor for assistance in the classroom.

“(e) ALLOWABLE USES OF FUNDS.—An eligible partnership that receives a grant under this section may use such funds to carry out any of the following activities:

“(1) DISSEMINATION AND COORDINATION.—Broadly disseminating information on effective practices used by the partnership, and coordinating with the activities of the Governor, State board of education, State higher education agency, and State educational agency, as appropriate.

“(2) MANAGERIAL AND LEADERSHIP SKILLS.—Developing and implementing proven mechanisms to provide principals and superintendents with effective managerial and leadership skills that result in increased student achievement.

“(3) SCHOLARSHIPS.—

“(A) IN GENERAL.—Awarding scholarships to help students pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program.

“(B) SUPPORT SERVICES.—Providing support services, if needed, to enable scholarship recipients to complete postsecondary education programs.

“(C) ASSISTANCE TO BECOME HIGHLY QUALIFIED TEACHERS.—Providing teachers who are not highly qualified with the opportunity to take coursework or credentialing courses in order to become highly qualified teachers.

“(D) FOLLOWUP SERVICES.—Providing followup services to former scholarship recipients during the recipients' first 3 years of teaching.

“(E) SERVICE REQUIREMENT.—The Secretary or State, as appropriate, shall establish such requirements as the Secretary or State, as appropriate, finds necessary to ensure that recipients of scholarships under this paragraph who complete teacher education programs subsequently teach in a high need local educational agency, for a period of time equivalent to the period for which the recipients receive scholarship assistance, or repay the amount of the scholarship. The Secretary or State, as appropriate, shall use any such repayments to carry out additional activities under this section.

“(4) FINANCIAL INCENTIVES.—Providing financial incentives for teachers to teach in high need schools in which there exists a shortage of highly qualified teachers.

“(5) RECRUITING AND HIRING TEACHERS.—

“(A) IN GENERAL.—Establishing programs that—

“(i) train and hire regular and special education teachers (which may include hiring special education teachers to team-teach in classrooms that contain both children with disabilities and nondisabled children);

“(ii) train and hire highly qualified teachers of special needs children, as well as

teaching specialists in core academic subjects who will provide increased individualized instruction to students;

“(iii) recruit qualified professionals from other fields, including highly qualified paraprofessionals (as defined in section 2102 of the Elementary and Secondary Education Act of 1965), and provide such professionals with alternative routes to teacher certification, including developing and implementing hiring policies that ensure comprehensive recruitment efforts as a way to expand the applicant pool, such as through identifying teachers certified through alternative routes, and using a system of intensive screening designed to hire the most qualified applicants; and

“(iv) provide increased opportunities for minorities, individuals with disabilities, and other individuals underrepresented in the teaching profession.

“(B) REDUCTION IN CLASS SIZE.—Recruiting and hiring highly qualified teachers to reduce class size, particularly in the early grades.

“(6) FACULTY OPPORTUNITY PROGRAMS.—Awarding competitive grants to institutions of higher education to enable such institutions to fill education faculty vacancies in special education, early childhood education, and bilingual education, to create new faculty positions that are targeted toward training highly qualified special education, early childhood education, and bilingual education teachers, and to develop doctoral programs in special education, early childhood education, and bilingual education that will produce new faculty at institutions of higher education in such subject areas. Funds from such grants may be used to develop and carry out recruitment strategies, subsidize moving expenses, provide bonuses, provide fully subsidized salaries for not more than 2 years per new faculty member, and provide partially subsidized salaries for not more than an additional 3 years per new faculty member. If an institution of higher education receives a grant under this paragraph and uses the grant funds to provide faculty salaries, such institution shall continue to fully fund such faculty positions for not less than 5 years after the end of Federal funding under the grant.

“(f) SPECIAL RULE.—No individual member of an eligible partnership shall retain more than 50 percent of the funds made available to the partnership under this section.

“(g) CONSTRUCTION.—Nothing in this section shall be construed to prohibit an eligible partnership from using grant funds to coordinate with the activities of more than 1 Governor, State board of education, State educational agency, local educational agency, or State agency for higher education.

**“SEC. 205. ADMINISTRATIVE PROVISIONS.**

“(a) DURATION; INCREASED ACCOUNTABILITY; PAYMENTS.—

“(1) DURATION.—

“(A) ELIGIBLE STATES AND ELIGIBLE APPLICANTS.—Grants awarded to eligible States and eligible applicants under this part shall be awarded for a period not to exceed 3 years.

“(B) ELIGIBLE PARTNERSHIPS.—Grants awarded to eligible partnerships under this part shall be awarded for a period of 5 years.

“(2) INCREASED ACCOUNTABILITY.—An eligible State, eligible applicant, or eligible partnership that receives more than 1 grant under this part has an increased accountability to disseminate information gained from such grants to States and local educational agencies.

“(3) PAYMENTS.—The Secretary shall make annual payments of grant funds awarded under this part.

“(b) PEER REVIEW.—

“(1) PANEL.—The Secretary shall provide the applications submitted under this part to

a peer review panel for evaluation. With respect to each application, the peer review panel shall initially recommend the application for funding or for disapproval.

“(2) PRIORITY.—In recommending applications to the Secretary for funding under this part, the panel shall—

“(A) with respect to grants under section 203, give priority to eligible States serving States that—

“(i) have initiatives to reform State teacher certification requirements that are designed to ensure that current and future teachers possess the necessary teaching skills and academic content knowledge in the subject areas in which the teachers are certified or licensed to teach;

“(ii) include innovative reforms to hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content area in which the teachers plan to teach and have strong teaching skills; or

“(iii) involve the development of innovative efforts aimed at reducing the shortage of highly qualified teachers in high poverty urban and rural areas, and in subject areas of high need (including bilingual education, special education, mathematics, science, early childhood education, and vocational education); and

“(B) with respect to grants under section 204—

“(i) give priority to applications from eligible partnerships that involve businesses; and

“(ii) take into consideration—

“(I) providing an equitable geographic distribution of the grants throughout the United States; and

“(II) the potential of the proposed activities for creating improvement and positive change.

“(3) SECRETARIAL SELECTION.—The Secretary shall determine, based on the peer review process, which application shall receive funding and the amounts of the grants. In determining grant amounts, the Secretary shall take into account the total amount of funds available for all grants under this part and the types of activities proposed to be carried out.

“(c) MATCHING REQUIREMENTS.—

“(1) STATE GRANTS.—Each eligible State receiving a grant under section 203 shall provide, from non-Federal sources, an amount equal to 50 percent of the amount of the grant (in cash or in kind) to carry out the activities supported by the grant.

“(2) PARTNERSHIP GRANTS.—Each eligible partnership receiving a grant under section 204 shall provide, from non-Federal sources (in cash or in kind), an amount equal to 25 percent of the grant for the first year of the grant, 35 percent of the grant for the second year of the grant, and 50 percent of the grant for each succeeding year of the grant.

“(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—An eligible State or eligible partnership that receives a grant under this part may not use more than 2 percent of the grant funds for purposes of administering the grant.

**“SEC. 206. ACCOUNTABILITY AND EVALUATION.**

“(a) STATE GRANT ACCOUNTABILITY REPORT.—An eligible State that receives a grant under section 203 shall submit an annual accountability report to the Secretary. Such report shall include a description of the degree to which the eligible State, in using funds provided under such section, has made substantial progress in meeting the following goals:

“(1) STUDENT ACHIEVEMENT.—Increasing student achievement for all students as defined by the eligible State.

“(2) RAISING STANDARDS.—Raising the State academic standards required to enter the teaching profession, including, where appropriate, through the use of incentives to incorporate the requirement of an academic major in the subject, or related discipline, in which the teacher plans to teach.

“(3) INITIAL CERTIFICATION OR LICENSURE.—Increasing success in the pass rate for initial State teacher certification or licensure, and increasing the numbers of highly qualified individuals being certified or licensed as teachers, including through alternative routes.

“(4) HIGHLY QUALIFIED TEACHERS.—Ensuring that all teachers teaching in core academic subjects within the State are highly qualified not later than the end of the 2005-2006 school year pursuant to section 1119(a)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319(a)(2)).

“(5) DECREASING TEACHER SHORTAGES.—Decreasing shortages of qualified teachers in poor urban and rural areas.

“(6) INCREASING OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT.—Increasing opportunities for enhanced and ongoing professional development that improves the academic content knowledge of teachers in the subject areas in which the teachers are certified or licensed to teach or in which the teachers are working toward certification or licensure to teach, and that promotes strong teaching skills.

“(7) TECHNOLOGY INTEGRATION.—Increasing the number of teachers prepared to integrate technology in the classroom.

“(b) ELIGIBLE PARTNERSHIP EVALUATION.—Each eligible partnership receiving a grant under section 204 shall establish and include in the application submitted under section 204(c), an evaluation plan that includes strong performance objectives. The plan shall include objectives and measures for—

“(1) increased student achievement for all students as measured by the partnership;

“(2) increased teacher retention in the first 3 years of a teacher's career;

“(3) increased success in the pass rate for initial State certification or licensure of teachers;

“(4) increased percentage of secondary school classes in core academic subject areas taught by highly qualified teachers;

“(5) increasing the number of teachers trained in technology; and

“(6) increasing the number of teachers prepared to work effectively with parents.

“(c) REVOCATION OF GRANT.—

“(1) REPORT.—Each eligible State or eligible partnership receiving a grant under this part shall report annually on the progress of the eligible State or eligible partnership toward meeting the purposes of this part and the goals, objectives, and measures described in subsections (a) and (b).

“(2) REVOCATION.—

“(A) ELIGIBLE STATES AND ELIGIBLE APPLICANTS.—If the Secretary determines that an eligible State or eligible applicant is not making substantial progress in meeting the purposes, goals, objectives, and measures, as appropriate, by the end of the second year of a grant under this part, then the grant payment shall not be made for the third year of the grant.

“(B) ELIGIBLE PARTNERSHIPS.—If the Secretary determines that an eligible partnership is not making substantial progress in meeting the purposes, goals, objectives, and measures, as appropriate, by the end of the third year of a grant under this part, then the grant payments shall not be made for any succeeding year of the grant.

“(d) EVALUATION AND DISSEMINATION.—The Secretary shall evaluate the activities funded under this part and report the Secretary's

findings regarding the activities to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives. The Secretary shall broadly disseminate successful practices developed by eligible States and eligible partnerships under this part, and shall broadly disseminate information regarding such practices that were found to be ineffective.

**“SEC. 207. ACCOUNTABILITY FOR PROGRAMS THAT PREPARE TEACHERS.**

**“(a) DEVELOPMENT OF DEFINITIONS AND REPORTING METHODS; HIGH-QUALITY TEACHER PREPARATION PROGRAM.—**

**“(1) IN GENERAL.—**Within 9 months of the date of enactment of the Higher Education Amendments of 1998, the Commissioner of the National Center for Education Statistics, in consultation with States and institutions of higher education, shall develop key definitions for terms, and uniform reporting methods (including the key definitions for the consistent reporting of pass rates and program completers), related to the performance of elementary school and secondary school teacher preparation programs.

**“(2) HIGH-QUALITY TEACHER PREPARATION PROGRAM.—**Each applicant for a grant under this part shall provide assurances in such applicant’s application that the applicant will meet the following criteria:

**“(A) Provide each teacher with each of the following skills and supports:**

**“(i) A deep knowledge of the subjects such teacher teaches.**

**“(ii) A firm understanding of how students learn.**

**“(iii) Teaching skills necessary to help all students achieve high standards, including children with disabilities and limited English proficient students.**

**“(iv) How to create a positive learning environment.**

**“(v) The ability to integrate challenging State academic content standards and challenging student academic achievement standards, and accountability into classroom teaching.**

**“(vi) The ability to use a variety of assessment strategies to diagnose and respond to individual learning needs.**

**“(vii) The ability to integrate modern technology into curricula to support student learning.**

**“(viii) Classroom management skills.**

**“(ix) Opportunities to collaborate with the teacher’s colleagues, with parents, community members, and other educators.**

**“(x) The ability to work in partnership with parents and involve parents in their children’s education.**

**“(xi) How to reflect on practices in order to improve teaching and student learning.**

**“(B) Ensure that each preservice teacher has the necessary skills to succeed in the classroom, including providing—**

**“(i) some training in reading, addressing the needs of children with disabilities and limited English proficient students, data analysis, and how to use student achievement data to improve instruction; and**

**“(ii) optional training in teaching advanced placement courses.**

**“(b) STATE REPORT CARD ON THE QUALITY OF TEACHER PREPARATION.—**Each State that receives funds under this Act shall provide to the Secretary, within 2 years of the date of enactment of the Higher Education Amendments of 1998, and annually thereafter, in a uniform and comprehensible manner that conforms with the definitions and methods established in subsection (a), a State report card on the quality of teacher preparation in the State, which shall include at least the following:

**“(1) A description of the teacher certification and licensure assessments, and any other certification and licensure requirements, used by the State.**

**“(2) The standards and criteria that prospective teachers must meet in order to attain initial teacher certification or licensure and to be certified or licensed to teach particular subjects or in particular grades within the State.**

**“(3) A description of the extent to which the assessments and requirements described in paragraph (1) are aligned with the State’s standards and assessments for students.**

**“(4) The percentage of teaching candidates who passed each of the assessments used by the State for teacher certification and licensure, and the passing score on each assessment that determines whether a candidate has passed that assessment.**

**“(5) The percentage of teaching candidates who passed each of the assessments used by the State for teacher certification and licensure, disaggregated and ranked, by the teacher preparation program in that State from which the teacher candidate received the candidate’s most recent degree, which shall be made available widely and publicly.**

**“(6) Information on the extent to which teachers in the State are given waivers of State certification or licensure requirements, including the proportion of such teachers distributed across high- and low-poverty school districts and across subject areas.**

**“(7) A description of each State’s alternative routes to teacher certification, if any, and the percentage of teachers certified through alternative certification routes who pass State teacher certification or licensure assessments.**

**“(8) For each State, a description of proposed criteria for assessing the performance of teacher preparation programs within institutions of higher education in the State, including indicators of teacher candidate knowledge and skills.**

**“(9) Information on the extent to which teachers or prospective teachers in each State are required to take examinations or other assessments of their subject matter knowledge in the area or areas in which the teachers provide instruction, the standards established for passing any such assessments, and the extent to which teachers or prospective teachers are required to receive a passing score on such assessments in order to teach in specific subject areas or grade levels.**

**“(c) INITIAL REPORT.—**

**“(1) IN GENERAL.—**Each State that receives funds under this Act, not later than 6 months after the date of enactment of the College Quality, Affordability, and Diversity Improvement Act of 2003 and in a uniform and comprehensible manner, shall submit to the Secretary the information described in paragraphs (1), (5), and (6) of subsection (b). Such information shall be compiled by the Secretary and submitted to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than 9 months after the date of enactment of the College Quality, Affordability, and Diversity Improvement Act of 2003.

**“(2) CONSTRUCTION.—**Nothing in this subsection shall be construed to require a State to gather information that is not in the possession of the State or the teacher preparation programs in the State, or readily available to the State or teacher preparation programs.

**“(d) REPORT OF THE SECRETARY ON THE QUALITY OF TEACHER PREPARATION.—**

**“(1) REPORT CARD.—**The Secretary shall provide to Congress, and publish and make

widely available, a report card on teacher qualifications and preparation in the United States, including all the information reported in paragraphs (1) through (9) of subsection (b). Such report shall identify States for which eligible States and eligible partnerships received a grant under this part. Such report shall be so provided, published and made available not later than 2 years 6 months after the date of enactment of the Higher Education Amendments of 1998 and annually thereafter.

**“(2) REPORT TO CONGRESS.—**The Secretary shall report to Congress—

**“(A) a comparison of States’ efforts to improve teaching quality; and**

**“(B) regarding the national mean and median scores on any standardized test that is used in more than 1 State for teacher certification or licensure.**

**“(3) SPECIAL RULE.—**In the case of teacher preparation programs with fewer than 10 graduates taking any single initial teacher certification or licensure assessment during an academic year, the Secretary shall collect and publish information with respect to an average pass rate on State certification or licensure assessments taken over a 3-year period.

**“(4) DATABASE.—**The Secretary shall collect data and develop a national and public database that provides reports on States’ passage rates on certification and licensure assessments, the placement rates for teacher preparation programs, the percentage of full-time faculty in institutions of higher education in each State who teach classes offered by a school of education, the tracking of graduates 3 years after graduating from a teacher preparation program, and other relevant information, as appropriate.

**“(e) COORDINATION.—**The Secretary, to the extent practicable, shall coordinate the information collected and published under this part among States for individuals who took State teacher certification or licensure assessments in a State other than the State in which the individual received the individual’s most recent degree.

**“(f) INSTITUTIONAL REPORT CARDS ON THE QUALITY OF TEACHER PREPARATION.—**

**“(1) REPORT CARD.—**Each institution of higher education that conducts a teacher preparation program that enrolls students receiving Federal assistance under this Act, not later than 18 months after the date of enactment of the Higher Education Amendments of 1998 and annually thereafter, shall report to the State and the general public, in a uniform and comprehensible manner that conforms with the definitions and methods established under subsection (a), the following information:

**“(A) PASS RATE.—**(i) For the most recent year for which the information is available, the pass rate of the institution’s graduates on the teacher certification or licensure assessments of the State in which the institution is located, but only for those students who took those assessments within 3 years of completing the program.

**“(ii) A comparison of the program’s pass rate with the average pass rate for programs in the State.**

**“(iii) In the case of teacher preparation programs with fewer than 10 graduates taking any single initial teacher certification or licensure assessment during an academic year, the institution shall collect and publish information with respect to an average pass rate on State certification or licensure assessments taken over a 3-year period.**

**“(B) PROGRAM INFORMATION.—**The number of students in the program, the average number of hours of supervised practice teaching required for those in the program, and the faculty-student ratio in supervised practice teaching.

“(C) STATEMENT.—In States that approve or accredit teacher education programs, a statement of whether the institution's program is so approved or accredited.

“(D) DESIGNATION AS LOW-PERFORMING.—Whether the program has been designated as low-performing by the State under section 208(a).

“(E) PERCENTAGE OF FACULTY IN SCHOOL OF EDUCATION.—The percentage of full-time faculty at the institution of higher education who teach classes offered by the school of education.

“(2) REQUIREMENT.—The information described in paragraph (1) shall be reported through publications such as school catalogs and promotional materials sent to potential applicants, secondary school guidance counselors, and prospective employers of the institution's program graduates.

“(3) FINES.—In addition to the actions authorized in section 487(c), the Secretary may impose a fine not to exceed \$25,000 on an institution of higher education for failure to provide the information described in this subsection in a timely or accurate manner.

“(g) NATIONAL ACADEMY OF SCIENCES CORE CURRICULUM STUDY.—

“(1) IN GENERAL.—The Secretary shall enter into a contract with the National Academy of Sciences to conduct a 2-year study to develop a suggested core curriculum in pedagogy for schools of education for such schools' teacher education program that assists those within the education profession and prospective teachers to understand what prospective teachers need to know to become effective teachers.

“(2) DOMAINS OF FOUNDATIONAL AND PEDAGOGICAL KNOWLEDGE.—The study under paragraph (1) shall include each of the following domains of foundational and pedagogical knowledge:

“(A) Learning, which would include building on existing knowledge and experience shaped by social and cultural context in the community and in the classroom.

“(B) Human development, which would include how children and adolescents think and behave, taking in account different ages, contexts, and learning styles.

“(C) Assessment, which would include the introduction of standards-based reform.

“(D) Teaching strategies, which would include providing all teachers with the tools needed to be successful in the classroom, especially with students who have specific learning disabilities or needs such as language acquisition.

“(E) Reading instruction, which would include taking in account different ages, contexts, and learning styles.

“(3) BEST RESEARCH; SUGGESTED TRAINING.—The suggested core curriculum developed under paragraph (1) shall reflect the best research into how students learn and on the content-specific methods shown to be effective with students, including examining how children learn. The suggested core curriculum shall include suggested training in working with diverse populations, assessments in the classroom, and classroom management.

“(4) COLLABORATION.—

“(A) IN GENERAL.—In conducting the study under paragraph (1), the National Academy of Sciences shall collaborate with interested parties in developing the suggested core curriculum.

“(B) INTERESTED PARTIES.—In this paragraph, the term 'interested parties' means—

- “(i) college presidents;
- “(ii) deans of teacher education programs;
- “(iii) teacher preparation faculty;
- “(iv) chief State school officers;
- “(v) school superintendents;
- “(vi) teacher organizations;
- “(vii) outstanding teachers; and

“(viii) teacher preparation accrediting organizations.

“SEC. 208. STATE FUNCTIONS.

“(a) STATE ASSESSMENT.—In order to receive funds under this Act, a State, not later than 2 years after the date of enactment of the Higher Education Amendments of 1998, shall have in place a procedure to identify, and assist, through the provision of technical assistance, low-performing programs of teacher preparation within institutions of higher education. Such State shall provide the Secretary an annual list of such low-performing institutions that includes an identification of those institutions at risk of being placed on such list. Such levels of performance shall be determined solely by the State and may include criteria based upon information collected pursuant to this part. Such assessment shall be described in the report under section 207(b).

“(b) TERMINATION OF ELIGIBILITY.—Any institution of higher education that offers a program of teacher preparation in which the State has withdrawn the State's approval or terminated the State's financial support due to the low performance of the institution's teacher preparation program based upon the State assessment described in subsection (a)—

“(1) shall be ineligible for any funding for professional development activities awarded by the Department of Education;

“(2) shall not be permitted to accept or enroll any student that receives aid under title IV of this Act in the institution's teacher preparation program; and

“(3) shall provide transitional support, including remedial services if necessary, for students enrolled at the institution at the time of termination of financial support or withdrawal of approval.

“(c) NEGOTIATED RULEMAKING.—If the Secretary develops any regulations implementing subsection (b)(2), the Secretary shall submit such proposed regulations to a negotiated rulemaking process, which shall include representatives of States, institutions of higher education, and educational and student organizations.

“SEC. 209. GENERAL PROVISIONS.

“(a) METHODS.—In complying with sections 207 and 208, the Secretary shall ensure that States and institutions of higher education use fair and equitable methods in reporting and that the reporting methods protect the privacy of individuals.

“(b) SPECIAL RULE.—For each State in which there are no State certification or licensure assessments, or for States that do not set minimum performance levels on those assessments—

“(1) the Secretary shall, to the extent practicable, collect data comparable to the data required under this part from States, local educational agencies, institutions of higher education, or other entities that administer such assessments to teachers or prospective teachers; and

“(2) notwithstanding any other provision of this part, the Secretary shall use such data to carry out the requirements of this part related to assessments or pass rates.

“(c) LIMITATIONS.—

“(1) FEDERAL CONTROL PROHIBITED.—Nothing in this part shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to prohibit private, religious, or home schools from participation in programs or services under this part.

“(2) NO CHANGE IN STATE CONTROL ENCOURAGED OR REQUIRED.—Nothing in this part shall be construed to encourage or require

any change in a State's treatment of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law.

“(3) NATIONAL SYSTEM OF TEACHER CERTIFICATION PROHIBITED.—Nothing in this part shall be construed to permit, allow, encourage, or authorize the Secretary to establish or support any national system of teacher certification.

“SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this part \$300,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“PART B—INNOVATIVE STRATEGIES TO RECRUIT, TRAIN, AND RETAIN HIGH QUALITY TEACHERS AND PRINCIPALS

“SEC. 215. INCENTIVES TO RECRUIT AND RETAIN HIGH QUALITY TEACHERS AND ADMINISTRATORS.

“(a) MENTORING PROGRAM.—

“(1) AUTHORIZATION.—

“(A) IN GENERAL.—The Secretary shall award grants, on a competitive basis, to eligible partnerships to enable the eligible partnerships to develop mentoring programs that help train and retain new teachers and provide professional routes for experienced teachers.

“(B) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to eligible partnerships that consist of a high need local educational agency with—

“(i) high rates of teacher turnover; and

“(ii) shortages of teachers in subject areas of high need (including bilingual education, special education, mathematics, science, vocational education, and early childhood education) and teachers in rural areas.

“(2) ELIGIBLE PARTNERSHIP.—In this subsection, the term 'eligible partnership' means a partnership among an institution of higher education, a high need local educational agency, and a nonprofit entity (including teacher organizations) that has an established record of providing effective teacher training.

“(3) APPLICATION.—An eligible partnership that desires a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(4) USE OF FUNDS.—

“(A) MANDATORY USES.—An eligible partnership that receives a grant under this subsection shall develop a mentoring program that is not less than 1 year in duration and does each of the following:

“(i) Provides—

“(I) training for experienced teachers to become mentors;

“(II) training from trained mentors to teach teachers in schools served by high need local educational agencies;

“(III) stipends to mentors; and

“(IV) release time or a reduced class load for mentors and the teachers being mentored, or both.

“(ii) Outlines specific criteria for who can serve as mentors, coaches, and team leaders.

“(iii) Requires mentors to—

“(I) be fully licensed;

“(II) be permanent (nonprobationary) classroom teachers;

“(III) have completed not less than 3 years of teaching;

“(IV) demonstrate mastery of pedagogy and the subject matter such mentor teaches;

“(V) have superior teaching and interpersonal skills;

“(VI) have the ability to integrate challenging State academic content standards and challenging student academic achievement standards and accountability into classroom teaching;

“(VII) use a variety of assessment strategies to respond to individual learning needs; and

“(VIII) reflect on their teaching practices in order to improve teaching and student learning.

“(iv) Endeavors to match mentors and the teachers being mentored by geographic proximity or by the same grade level and subject matter area of teaching, or both.

“(v) Ensures that teachers who have been mentored will work in schools served by high need local educational agencies for a specified period of time.

“(vi) Provides a plan to evaluate the mentoring program.

“(B) PERMISSIVE USES.—An eligible partnership that receives a grant under this subsection may use the grant funds to provide academic credit toward an advanced degree for mentors and the teachers being mentored.

“(5) DURATION OF GRANTS.—Grants awarded under this subsection shall be for 3 years in duration.

“(6) EVALUATION.—

“(A) IN GENERAL.—Not later than the last day of the grant award, an eligible partnership that receives a grant under this subsection shall submit an accountability report to the Secretary.

“(B) CONTENT.—The accountability report under subparagraph (A) shall include, at a minimum—

“(i) teacher retention rates for teachers participating in the mentoring program as compared with teachers in the high need local educational agency not participating in the mentoring program;

“(ii) results of evaluations on mentor and teachers being mentored satisfaction with the mentoring program; and

“(iii) results of the plan developed by the eligible partnership to evaluate the mentoring program.

“(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$50,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“(b) HOUSING INCENTIVES PROGRAM.—

“(1) GRANT PROGRAM AUTHORIZED.—The Secretary shall award grants, on a competitive basis, to eligible partnerships to enable the eligible partnerships to develop a housing incentive program that assists teachers who teach in schools served by high need local educational agencies to afford housing.

“(2) ELIGIBLE PARTNERSHIP.—In this subsection:

“(A) IN GENERAL.—The term ‘eligible partnership’ means a partnership between—

“(i) (I) a high need local educational agency; or

“(II) a State educational agency; and

“(ii) an institution of higher education.

“(B) OTHER ENTITIES.—The term ‘eligible partnership’ may include other public entities or private entities.

“(3) APPLICATION.—An eligible partnership that desires a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(4) USE OF FUNDS.—An eligible partnership that receives a grant under this subsection shall use the grant funds to develop a housing incentive program that—

“(A) provides financial incentives to teachers who teach in schools served by high need local educational agencies by providing for such teachers funds for—

“(i) a downpayment on a home;

“(ii) closing costs associated with purchasing a home; or

“(iii) moving expenses; or

“(B) develops a partnership with a lender to create a home loan program for teachers who teach in schools served by high need local educational agencies that provides home loans to such teachers that—

“(i) are insured by the eligible partnership; or

“(ii) require minimal or no downpayment.

“(5) SERVICE REQUIREMENT.—A teacher that receives assistance under this subsection shall—

“(A) teach in a school served by a high need local educational agency for not less than 5 subsequent school years; or

“(B) repay the amount of assistance.

“(6) EVALUATION.—

“(A) IN GENERAL.—An eligible partnership that receives a grant under this subsection shall develop an evaluation of the partnership’s housing incentive program that includes, at a minimum—

“(i) how many teachers received assistance under the program and retention rates in schools served by high need local educational agencies for such teachers;

“(ii) whether the program helped improve teacher shortages;

“(iii) a description of the specific inactive model that was used to develop the housing incentive program;

“(iv) if applicable, how partnerships with lenders worked; and

“(v) successful practices.

“(B) SUBMISSION OF EVALUATION.—Not later than the last day of the grant award, the eligible partnership shall submit to the Secretary the evaluation developed under subparagraph (A).

“(7) TAX EXEMPTION.—The amount of any financial assistance received by a teacher under a housing incentive program developed pursuant to this subsection shall not be considered income for purposes of the Internal Revenue Code of 1986.

“(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$50,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“(c) COMMUNITY COLLEGE AS A PARTNER.—

“(1) GRANT PROGRAM AUTHORIZED.—The Secretary shall award grants, on a competitive basis, to eligible partnerships to enable the eligible partnerships to strengthen teacher preparation programs.

“(2) ELIGIBLE PARTNERSHIP.—In this subsection, the term ‘eligible partnership’ means a partnership between—

“(A) a community college; and

“(B) a 4-year institution of higher education that has a teacher preparation program.

“(3) APPLICATION.—An eligible partnership that desires a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(4) USE OF FUNDS.—

“(A) MANDATORY USES.—An eligible partnership that receives a grant under this subsection shall do both of the following:

“(i) COMMUNITY COLLEGE ACTIVITIES.—The community college of the eligible partnership shall develop and strengthen the core curriculum centered on a liberal arts education at such college that adequately prepares students to enter the teacher preparation program at the 4-year institution of higher education of the eligible partnership.

“(ii) 4-YEAR INSTITUTION OF HIGHER EDUCATION ACTIVITIES.—

“(I) IN GENERAL.—The 4-year institution of higher education of the eligible partnership shall provide intensive support services for students that enter the teacher preparation program from the community college of the eligible partnership.

“(II) SUPPORT SERVICES.—The support services shall be offered prior to and during such student’s tenure at the 4-year institution of higher education and shall include mentoring, and academic and career support.

“(III) POINT PERSON.—The 4-year institution of higher education shall provide a point person within the teacher preparation program whose sole job is to provide support services to the students described in subclause (I).

“(B) PERMISSIVE USES.—An eligible partnership that receives a grant under this subsection may use the grant funds to provide compensation to staff in the teacher preparation programs at the community college and 4-year institution of higher education.

“(5) DURATION OF GRANTS.—Grants awarded under this subsection shall be for 5 years in duration.

“(6) EVALUATION.—

“(A) IN GENERAL.—An eligible partnership that receives a grant under this subsection shall develop an evaluation of the partnership’s activities under this subsection that—

“(i) includes the number of student teachers served and the retention rate in the 4-year institution of higher education of such student teachers;

“(ii) addresses the qualification of such student teachers when graduating from the 4-year institution of higher education, including whether such student teachers found teaching positions and whether they passed State certification examinations; and

“(iii) includes successful practices.

“(B) SUBMISSION OF EVALUATION.—Not later than the last day of the grant award, the eligible partnership shall submit to the Secretary the evaluation developed under subparagraph (A).

“(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$25,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“(d) PARAPROFESSIONALS TO TEACHERS.—

“(1) GRANT PROGRAM AUTHORIZED.—The Secretary shall award grants, on a competitive basis, to eligible partnerships to enable the eligible partnerships to develop a Paraprofessionals to Teachers Program (in this subsection referred to as the ‘Program’) to assist paraprofessionals employed by high need local educational agencies to become teachers.

“(2) ELIGIBLE PARTNERSHIP.—In this subsection, the term ‘eligible partnership’ means a partnership among an institution of higher education, a high need local educational agency, and other entities that may include businesses, community colleges, and teacher organizations.

“(3) APPLICATION.—An eligible partnership that desires a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(4) USE OF FUNDS.—

“(A) IN GENERAL.—An eligible partnership that receives a grant under this subsection shall develop a Program to assist paraprofessionals employed by the high need local educational agency of the eligible partnership to become teachers by—

“(i) developing a teacher preparation program at the institution of higher education of the eligible partnership for paraprofessionals that allows for part-time study and flexible student teaching and coursework schedules;

“(ii) ensuring that paraprofessionals enrolled in the teacher preparation program under clause (i) retain such paraprofessionals’ benefit packages with the high need

local educational agency while enrolled in the teacher preparation program;

“(iii) providing support services for such paraprofessionals that include tutoring to meet teacher preparation program requirements, child care, career counseling, and financial aid guidance; and

“(iv) providing mentoring for such paraprofessionals during their first 3 years of teaching.

“(B) PERMISSIBLE USE OF FUNDS.—An eligible partnership that receives a grant under this subsection may use the grant funds for—

“(i) tuition expenses of paraprofessionals in the teacher preparation program;

“(ii) child care expenses of paraprofessionals;

“(iii) release time for paraprofessionals;

“(iv) compensation for mentors;

“(v) support services for paraprofessionals;

“(vi) salaries of staff at the institution of higher education and the high need local educational agency of the eligible partnership; and

“(vii) stipends for paraprofessionals.

“(5) ACTIVITIES OF THE HIGH NEED LOCAL EDUCATIONAL AGENCY.—The high need local educational agency of the eligible partnership shall—

“(A) make efforts to recruit paraprofessionals employed by such agency to participate in the Program;

“(B) arrange for administrative leave for paraprofessionals employed by such agency who participate in the Program; and

“(C) guarantee a provisional teaching position to paraprofessionals employed by such agency who participate in the Program upon completion of the Program.

“(6) DURATION OF GRANTS.—Grants awarded under this subsection shall be for 3 years in duration.

“(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$50,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“(e) SCHOOL LEADERSHIP DEVELOPMENT PROGRAM FOR PRINCIPALS, ASSISTANT PRINCIPALS, AND SUPERINTENDENTS.—

“(1) GRANT PROGRAM AUTHORIZED.—The Secretary shall award grants, on a competitive basis, to eligible partnerships to enable the eligible partnerships to provide practical training to principals, assistant principals, and school superintendents that focuses on developing and enhancing the skills necessary to serve as instructional leaders of schools and school systems.

“(2) ELIGIBLE PARTNERSHIP.—In this subsection, the term ‘eligible partnership’—

“(A) means a partnership between—

“(i) an institution of higher education; and

“(ii) 1 or more high need local educational agencies; and

“(B) may include a school principal professional organization.

“(3) APPLICATION.—An eligible partnership that desires a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(4) USE OF FUNDS.—

“(A) IN GENERAL.—An eligible partnership that receives a grant under this subsection shall establish a certificate program for principals, assistant principals, and school superintendents that is developed by education experts and practitioners and that provides training in—

“(i) diagnostic leadership skills assessment;

“(ii) the development of knowledge and skills that contribute to the effective practice of instructional leadership behaviors;

“(iii) research methodology for educational leaders that includes understanding

of systematic and empirical research methods, application of rigorous data analyses, collections of reliable and valid data, knowledge of appropriate research designs, and the importance of peer review and other external scrutiny, and its application to the practice of school leadership; and

“(iv) the development of knowledge and skills to develop and align curriculum, assessments, and instruction with standards, legislation, and regulations.

“(B) PERMISSIBLE USE OF FUNDS.—An eligible partnership that receives a grant under this subsection may use the grant funds—

“(i) to provide training in developing and enhancing the skills necessary to effectively run schools for individuals who are about to become principals, assistant principals, or school superintendents;

“(ii) for a pre-induction year internship or apprenticeship with a successful practitioner to help train individuals who are about to become principals, assistant principals, or school superintendents, and, during an induction year, to support and develop the capacity of new principals, assistant principals, and school superintendents as instructional leaders; and

“(iii) to provide mentoring and peer coaching services for principals, assistant principals, and school superintendents to enable exemplary principals, assistant principals, and school superintendents to serve as mentors and role models.

“(5) TECHNOLOGY.—In carrying out activities under this subsection, an eligible partnership shall use, to the extent practicable, technology as an outreach mechanism to expand opportunities for professional development and ongoing support services for principals, assistant principals, and school superintendents.

“(6) REPORT.—An eligible partnership that receives a grant under this subsection shall submit to the Secretary an evaluation detailing the use of grant funds under this subsection and the progress in meeting the goals of the eligible partnership.

“(7) DURATION OF GRANTS.—Grants awarded under this subsection shall be for 3 years in duration.

“(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$25,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.

#### “PART C—PREPARING TOMORROW'S TEACHERS TO USE TECHNOLOGY

“SEC. 221. PURPOSE AND PROGRAM AUTHORITY.

“(a) PURPOSE.—It is the purpose of this part to assist consortia of public and private entities—

“(1) to carry out programs that prepare prospective teachers to use advanced technology to prepare all students to meet challenging State and local academic content and student academic achievement standards; and

“(2) to improve the ability of institutions of higher education to carry out such programs.

“(b) PROGRAM AUTHORITY.—

“(1) IN GENERAL.—The Secretary is authorized to award grants to eligible applicants, or enter into contracts or cooperative agreements with eligible applicants, on a competitive basis in order to pay for the Federal share of the cost of projects to develop or redesign teacher preparation programs to enable prospective teachers to use advanced technology effectively in their classrooms.

“(2) PERIOD OF AWARDS.—The Secretary may award grants, or enter into contracts or cooperative agreements, under this part for periods that are not more than 5 years in duration.

“SEC. 222. ELIGIBILITY.

“(a) ELIGIBLE APPLICANTS.—In order to receive a grant or enter into a contract or cooperative agreement under this part, an applicant shall be a consortium that includes the following:

“(1) At least one institution of higher education that awards baccalaureate degrees and prepares teachers for their initial entry into teaching.

“(2) At least one State educational agency or local educational agency.

“(3) One or more of the following entities:

“(A) An institution of higher education (other than the institution described in paragraph (1)).

“(B) A school or department of education at an institution of higher education.

“(C) A school or college of arts and sciences (as defined in section 201(b)) at an institution of higher education.

“(D) A professional association, foundation, museum, library, for-profit business, public or private nonprofit organization, community-based organization, or other entity, with the capacity to contribute to the technology-related reform of teacher preparation programs.

“(b) APPLICATION REQUIREMENTS.—In order to receive a grant or enter into a contract or cooperative agreement under this part, an eligible applicant shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Such application shall include the following:

“(1) A description of the proposed project, including how the project would—

“(A) ensure that individuals participating in the project would be prepared to use advanced technology to prepare all students, including groups of students who are underrepresented in technology-related fields and groups of students who are economically disadvantaged, to meet challenging State and local academic content and student academic achievement standards; and

“(B) improve the ability of at least one participating institution of higher education described in section 222(a)(1) to ensure such preparation.

“(2) A demonstration of—

“(A) the commitment, including the financial commitment, of each of the members of the consortium for the proposed project; and

“(B) the active support of the leadership of each organization that is a member of the consortium for the proposed project.

“(3) A description of how each member of the consortium will participate in project activities.

“(4) A description of how the proposed project will be continued after Federal funds are no longer awarded under this part for the project.

“(5) A plan for the evaluation of the project, which shall include benchmarks to monitor progress toward specific project objectives.

“(c) MATCHING REQUIREMENTS.—

“(1) IN GENERAL.—The Federal share of the cost of any project funded under this part shall not exceed 50 percent. Except as provided in paragraph (2), the non-Federal share of the cost of such project may be provided in cash or in kind, fairly evaluated, including services.

“(2) ACQUISITION OF EQUIPMENT.—Not more than 10 percent of the funds awarded for a project under this part may be used to acquire equipment, networking capabilities, or infrastructure, and the non-Federal share of the cost of any such acquisition shall be provided in cash.

“SEC. 223. USE OF FUNDS.

“(a) REQUIRED USES.—A consortium that receives a grant or enters into a contract or

cooperative agreement under this part shall use funds made available under this part for—

“(1) a project creating one or more programs that prepare prospective teachers to use advanced technology to prepare all students, including groups of students who are underrepresented in technology-related fields and groups of students who are economically disadvantaged, to meet challenging State and local academic content and student academic achievement standards; and

“(2) evaluating the effectiveness of the project.

“(b) PERMISSIBLE USES.—The consortium may use funds made available under this part for a project, described in the application submitted by the consortium under this part, that carries out the purpose of this part, such as the following:

“(1) Developing and implementing high-quality teacher preparation programs that enable educators—

“(A) to learn the full range of resources that can be accessed through the use of technology;

“(B) to integrate a variety of technologies into curricula and instruction in order to expand students' knowledge;

“(C) to evaluate educational technologies and their potential for use in instruction;

“(D) to help students develop their technical skills; and

“(E) to use technology to collect, manage, and analyze data to improve teaching and decisionmaking.

“(2) Developing alternative teacher development paths that provide elementary schools and secondary schools with well-prepared, technology-proficient educators.

“(3) Developing achievement-based standards and assessments aligned with the standards to measure the capacity of prospective teachers to use technology effectively in their classrooms.

“(4) Providing technical assistance to entities carrying out other teacher preparation programs.

“(5) Developing and disseminating resources and information in order to assist institutions of higher education to prepare teachers to use technology effectively in their classrooms.

“(6) Subject to section 222(c)(2), acquiring technology equipment, networking capabilities, infrastructure, software, and digital curricula to carry out the project.

**“SEC. 224. AUTHORIZATION OF APPROPRIATIONS.**

“There are authorized to be appropriated to carry out this part—

“(1) \$150,000,000 for fiscal year 2004; and

“(2) such sums as may be necessary for each of the 5 succeeding fiscal years.”

**TITLE III—DIVERSITY, RETENTION, AND ENRICHED ACADEMICS FOR MATRICULATING STUDENTS**

**SEC. 301. TEST PREPARATION FOR LOW-INCOME STUDENTS.**

Title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended by adding at the end the following:

**“PART J—TEST PREPARATION FOR LOW-INCOME STUDENTS**

**“SEC. 1910. DEFINITIONS.**

“In this part:

“(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a public, private, or nonprofit entity (including a secondary school or a local educational agency) that—

“(A) offers a program to prepare students for college admissions tests; and

“(B) has a verified track record of not less than 3 years of increasing the average college admissions test score of students who participate in such program.

“(2) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term ‘eligible local educational agency’ means a local educational agency for which the number of children determined under section 1124(c) for that local educational agency constitute more than—

“(A) the percentage described in section 1125(c)(2)(B)(v) of the agency's total population aged 5 to 17; or

“(B) the number described in section 1125(c)(2)(C)(v) of the agency's total population aged 5 to 17.

“(3) ELIGIBLE SECONDARY SCHOOL.—The term ‘eligible secondary school’—

“(A) means a secondary school that receives Federal assistance under part A and is served by an eligible local educational agency; and

“(B) includes a secondary school that does not receive Federal assistance under part A for a fiscal year if such secondary school is served by an eligible local educational agency that serves secondary schools, none of which received Federal assistance under part A for such fiscal year.

**“SEC. 1911. ESTABLISHMENT.**

“From amounts appropriated under section 1917 for a fiscal year, the Secretary shall award grants, on a competitive basis, to eligible local educational agencies to enable such agencies to fund college admissions test preparation programs for juniors and seniors at eligible secondary schools served by such agencies.

**“SEC. 1912. APPLICATION.**

“An eligible local educational agency that desires a grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

**“SEC. 1913. DURATION.**

“Grants awarded under this subpart shall be for a period of not less than 3 years.

**“SEC. 1914. USE OF FUNDS.**

“(a) IN GENERAL.—An eligible local educational agency that receives a grant under this part shall use the grant funds to provide, through an eligible entity, a college admissions test preparation program for juniors and seniors at eligible secondary schools served by such agency that uses methods that have proven effective in preparing students for college admissions tests.

“(b) METHODS.—

“(1) IN GENERAL.—A college admissions test preparation program funded under this part shall—

“(A) use methods that have proven effective in preparing students for college admissions tests;

“(B) to the extent practicable, be administered through instructor led, classroom-based courses; and

“(C) consist of a minimum of 25 hours of instructional (nontesting) time.

“(2) ONLINE COURSES.—

“(A) IN GENERAL.—An eligible local educational agency may enter into a contract with an eligible entity to provide a college admissions test preparation program that will be offered online if—

“(i) a classroom-based college admissions test preparation program provided by an eligible entity is not available; and

“(ii) the eligible entity providing such online program has a verified track record of not less than 3 years of increasing the average college admissions test score of students served through such online program.

“(B) SUPERVISION; ADMINISTRATION.—An online college admissions test preparation program shall be supervised or administered by a teacher, administrator, or coach who has received appropriate professional development to support student success in such online program.

“(C) COMPARABLE SERVICE.—An eligible entity that is not a school or local educational

agency and that receives a contract under this section shall—

“(1) provide comparable services in programs offered under this part as in programs such entity offers to such entity's other customers; and

“(2) provide services in programs offered under this part for not more than 75 percent of such entity's national average rate per student for comparable programs.

“(d) PRACTICE EXAMINATIONS.—

“(1) PRIOR TO PREPARATION.—

“(A) IN GENERAL.—Programs provided under this section shall require each participating student to complete a practice examination of the college admissions test the student will be preparing for, prior to preparing such student for such college admissions test.

“(B) PREVIOUSLY ADMINISTERED; SAME TIMEFRAME AND SETTING.—The practice examination described under subparagraph (A) shall be—

“(i) an examination previously administered by the College Board, ACT Inc., or other college admissions tests' respective administrator; and

“(ii) administered in a timeframe and setting similar to that of the examination when administered by the College Board, ACT Inc., or other college admissions tests' respective administrator.

“(2) AFTER PREPARATION.—

“(A) IN GENERAL.—Programs provided under subsection (a) shall require each participating student to complete a practice examination of the college admissions test the student prepared for at the completion of the program.

“(B) PREVIOUSLY ADMINISTERED; SAME TIMEFRAME AND SETTING.—The practice examination described under subparagraph (A)—

“(i) shall be an examination previously administered by the College Board, ACT Inc., or other college admissions tests' respective administrator;

“(ii) shall not be the same practice examination given at the start of the program, given at any time during the program, or used as a study aid during the program; and

“(iii) shall be administered in a timeframe and setting similar to that of the examination when administered by the College Board, ACT Inc., or other college admissions tests' respective administrator.

“(e) SUPPLEMENTAL PREPARATION AND GUIDANCE.—An eligible entity that receives a contract under this section or an eligible local educational agency that develops and implements a school-based college admissions test preparation program under this section shall—

“(1) provide supplemental preparation for those students that need such supplemental preparation to prepare for college admissions tests in the form of prepreparation review of skills and knowledge, including in mathematics, grammar, and vocabulary;

“(2) ensure that students participating in programs funded under this part receive counseling on college admissions, including information on selecting an institution of higher education, the application process and related requirements, the availability of supports and services to facilitate transition to and success in postsecondary education, and the availability of financial aid; and

“(3) offer not less than 1 seminar or class on the counseling described under paragraph (2) that shall be held during evening or weekend hours and parents shall be invited to attend such seminar or class.

“(f) LOCAL EDUCATIONAL AGENCY SEPARATE PROGRAMS.—An eligible local educational agency that enters into a contract with an eligible entity pursuant to this section—

“(1) may conduct activities described under subsection (e) separate from such contract; and

“(2) may not use more than 5 percent of the grant funds to conduct activities described under subsection (e) separate from such contract.

**“SEC. 1915. REPORTING REQUIREMENT.**

“(a) LOCAL EDUCATIONAL AGENCY.—An eligible local educational agency that develops and implements a school-based college admissions test preparation program under section 1914(a)(1) shall submit to the Secretary a report that includes—

“(1) the number of students who started the program, disaggregated by race and gender where appropriate;

“(2) the number of students who completed the program, disaggregated by race and gender where appropriate;

“(3) the number of students participating in the program who subsequently take the officially administered college admissions test for which such students were preparing, disaggregated by race and gender where appropriate; and

“(4) average scores for participating students on the preprogram test pursuant to section 1914(d)(1), and the end of program test pursuant to section 1914(d)(2).

“(b) ELIGIBLE ENTITY.—An eligible entity that receives a contract under section 1914 shall submit to the eligible local educational agency that has contracted for such eligible entity’s services a report that includes the information described in subsection (a) and any other information the eligible local educational agency shall reasonably require.

“(c) FAILURE TO SUBMIT SCORES.—An eligible local educational agency or eligible entity that fails to submit the average scores for participating students on the preprogram test pursuant to section 1914(d)(1), and the end of program test pursuant to section 1914(d)(2) shall have such agency or entity’s grant terminated at the discretion of the Secretary.

**“SEC. 1916. SCORE IMPROVEMENT.**

“(a) REPORT.—Not less than once every 3 years, the Secretary shall review and report to Congress on all programs funded under this part to ensure that such programs are improving the scores of students participating in the program.

“(b) NON-ELIGIBILITY.—Programs funded under this part that are determined by the Secretary to have not significantly improved the average score of participating students shall no longer be eligible for grants under this part.

**“SEC. 1917. AUTHORIZATION OF APPROPRIATIONS.**

“There are authorized to be appropriated to carry out this part \$50,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.”

**SEC. 302. ADMISSIONS AND RETENTION.**

(a) PROSPECTIVE STUDENT INFORMATION.—Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), as amended by section 105, is further amended by adding at the end the following:

**“Subpart 11—Prospective Student Information**

**“SEC. 420M. REPORTING.**

“(a) IN GENERAL.—An institution of higher education that offers a baccalaureate degree and is eligible to receive assistance under this part shall include in such institution’s application for assistance under this part the following information:

“(1) The percentage of freshman students enrolled at the institution in the previous academic year who were self-identified members of the following disaggregated categories:

“(A) Individual major racial and ethnic groups.

“(B) Male.

“(C) Female.

“(D) The relative of an alumnus, disaggregated by race and eligibility for Federal Pell Grants.

“(E) Economically disadvantaged, as measured by eligibility for Federal Pell Grants.

“(2) The percentage of freshman students enrolled at the institution in the previous academic year who were admitted to the institution through binding early decision, disaggregated by race and eligibility for Federal Pell Grants.

“(3) The percentage of freshman students enrolled at the institution in the previous academic year who were admitted to the institution through regular decision, disaggregated by race and eligibility for Federal Pell Grants.

“(b) DISAGGREGATION.—An institution of higher education shall provide specific disaggregated subgroup information under subsection (a) only if the number of students in such subgroup is sufficient to yield statistically reliable information and reporting would not reveal personally identifiable information about an individual. If such number is not sufficient, the institution of higher education shall note that the institution enrolled too few of such students to report with confidence.”

(b) ANTITRUST EXEMPTION.—

(A) DEFINITIONS.—In this subsection:

(A) ANTITRUST LAWS.—The term “antitrust laws” has the meaning given such term in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent such section 5 applies to unfair methods of competition.

(B) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education”—

(i) means an institution of higher education as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001); and

(ii) includes any individual acting on behalf of such an institution.

(2) EXEMPTION.—The antitrust laws shall not apply to any joint discussion, consideration, review, action, or agreement by or among institutions of higher education, or their representatives, for the purpose of, and limited to, developing and disseminating guidelines designed to end binding early decision admissions policies.

(c) RETENTION.—

(1) GRANT PROGRAM.—Part A of title III of the Higher Education Act of 1965 (20 U.S.C. 1057 et seq.) is amended by adding at the end the following:

**“SEC. 318. GRANT PROGRAM TO INCREASE STUDENT RETENTION AND PROMOTE ARTICULATION AGREEMENTS.**

“(a) AUTHORIZATION OF PROGRAM.—The Secretary shall award grants, on a competitive basis, to eligible institutions to enable the institutions to—

“(1) focus on increasing traditional and nontraditional student retention at such institutions; and

“(2) promote articulation agreements among different institutions that will increase the likelihood of progression of students at such institutions to baccalaureate degrees.

“(b) DEFINITION OF ELIGIBLE INSTITUTION.—In this section, the term ‘eligible institution’ means an institution of higher education (as defined in section 101(a)) where not less than 40 percent of such institution’s student body receives financial aid under subpart 1 of part A of title IV.

“(c) APPLICATION.—An eligible institution that desires a grant under this section shall submit an application to the Secretary at

such time, in such manner, and containing such information as the Secretary may require.

“(d) MANDATORY ACTIVITIES.—An eligible institution that receives a grant under this section shall use the grant funds to carry out each of the following:

“(1) Offering counseling services to help students cope with the challenges they are facing and identify the services that are available to help them persist in their education.

“(2) Making mentors available to all students that are at risk for not completing a degree.

“(3) Providing detailed assistance to all students who request help in understanding—

“(A) the options for financing their education, including information on grants, loans, and loan repayment programs;

“(B) the process of applying for financial assistance;

“(C) the outcome of their financial assistance application; and

“(D) any unanticipated problems related to financing their education that arise.

“(4) Offering tutoring to all students who request assistance with any course or subject.

“(5) Conducting outreach activities so that all students know that these services are available and are aware of how to access the services.

“(6) Making services listed in paragraphs (1) through (4) available in students’ native languages, if it is not English, if the percentage of students needing translation services in a specific language exceeds 5 percent.

“(e) PERMISSIBLE ACTIVITIES.—An eligible institution that receives a grant under this section may use grant funds to carry out any of the following activities:

“(1) Providing intensive remedial academic instruction.

“(2) Designing innovative course schedules to meet the needs of working adults, such as classes that are concentrated on weekends or over short periods of time.

“(3) Designing and implementing online courses or components of courses to allow nontraditional students to obtain an education when their family or professional responsibilities, or both, make it difficult for them to attend class on campus at prespecified, regular times.

“(4) Offering childcare during the hours when students have class or are studying.

“(5) Providing transportation assistance to students that helps such students manage their schedules.

“(6) Partnering with local businesses to create flexible work-hour programs so that students can balance work and school.

“(7) Offering time management seminars or personal coaches to help students improve their time management skills.

“(8) Any other activities the Secretary believes will promote retention of students attending eligible institutions.

“(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$100,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.”

(2) INSTITUTIONAL SUPPORT SERVICES.—Part B of title I of the Higher Education Act of 1965 (20 U.S.C. 1011 et seq.) is amended by adding at the end the following:

**“SEC. 123. INSTITUTIONAL SUPPORT SERVICES TO INCREASE STUDENT RETENTION.**

“(a) DETERMINATION OF RATES.—

“(1) IN GENERAL.—Beginning on the date that is 2 years after the date of enactment of this section, and annually thereafter, an institution of higher education shall determine for the preceding academic year the rates of baccalaureate degree completion not later

than 6 years after enrollment for students enrolled at such institution, disaggregated by race, gender, and eligibility for Federal Pell Grants, if the institution of higher education—

“(A) receives Federal funds;

“(B) is eligible for assistance under title IV;

“(C) is not eligible for assistance under section 318; and

“(D) awards a baccalaureate degree.

“(2) **DISAGGREGATION.**—An institution of higher education shall provide specific disaggregated subgroup information under paragraph (1) only if the number of students in such subgroup is sufficient to yield statistically reliable information and reporting would not reveal personally identifiable information about an individual. If such number is not sufficient, the institution of higher education shall note that the institution enrolled too few of such students to report with confidence.

“(b) **SUPPORT SERVICES FOR AT RISK STUDENTS.**—

“(1) **IN GENERAL.**—Beginning on the date that is 2 years after the date of enactment of this section, and annually thereafter, each institution of higher education that has a disparity of 20 or more percentage points in the rates determined under subsection (a) between any 2 or more subgroups in all the disaggregated categories for an academic year shall increase, from the level provided in such academic year and in accordance with paragraph (2), support services for the students in the subgroups in which the baccalaureate degree completion rate is 20 or more percentage points below the completion rate for the subgroup with the highest completion rate.

“(2) **AMOUNT OF INCREASE AND ACTIVITIES.**—

“(A) **INCREASE.**—The amount of the increase required under paragraph (1) for an academic year shall be equal to 5 percent of the amount of assistance received by the institution of higher education under part C of title IV and subpart 3 of part A of title IV for such academic year.

“(B) **ACTIVITIES.**—

“(i) **MANDATORY ACTIVITIES.**—The amount of the increase required under paragraph (1) shall be used to carry out the following activities:

“(I) Offering counseling services to help students cope with the challenges they are facing and identify the services that are available to help them persist in their education.

“(II) Making mentors available to all students that are at risk for not completing a degree.

“(III) Providing detailed assistance to all students who request help in understanding—

“(aa) the options for financing their education, including information on grants, loans, and loan repayment programs;

“(bb) the process of applying for financial assistance;

“(cc) the outcome of their financial assistance application; and

“(dd) any unanticipated problems related to financing their education that arise.

“(IV) Offering tutoring to all students who request assistance with any course or subject.

“(V) Conducting outreach activities so that all students know that these services are available and are aware of how to access the services.

“(VI) Making services listed in subclauses (I) through (IV) available in students' native languages, if it is not English, if the percentage of students needing translation services in a specific language exceeds 5 percent.

“(ii) **PERMISSIBLE ACTIVITIES.**—The amount of the increase required under paragraph (1)

may be used to carry out any of the following activities:

“(I) Providing intensive remedial academic instruction.

“(II) Designing innovative course schedules to meet the needs of working adults, such as classes that are concentrated on weekends or over short periods of time.

“(III) Designing and implementing online courses or components of courses to allow nontraditional students to obtain an education when their family or professional responsibilities, or both, make it difficult for them to attend class on campus at respecified, regular times.

“(IV) Offering childcare during the hours when students have class or are studying.

“(V) Providing transportation assistance to students that helps such students manage their schedules.

“(VI) Partnering with local businesses to create flexible work-hour programs so that students can balance work and school.

“(VII) Offering time management seminars or personal coaches to help students improve their time management skills.

“(VIII) Any other activities the Secretary believes will promote retention of students attending eligible institutions.”.

#### **SEC. 303. FEDERAL TRIO PROGRAM.**

Section 402A of the Higher Education Act of 1965 (20 U.S.C. 1070a-11) is amended—

(1) in subsection (b)(3)—

(A) in subparagraph (A), by striking “\$170,000” and inserting “\$190,000”;

(B) in subparagraph (B), by striking “\$180,000” and inserting “\$200,000”; and

(C) in subparagraph (C), by striking “\$190,000” and inserting “\$220,000”; and

(2) in subsection (f), by striking the first sentence and inserting the following: “For the purpose of making grants and contracts under this chapter, there are authorized to be appropriated \$1,250,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years”.

#### **SEC. 304. GEAR UP.**

(a) **EARLY INTERVENTION AND COLLEGE AWARENESS PROGRAM AUTHORIZED.**—Section 404A(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a-21(b)) is amended—

(1) in paragraph (1), by inserting “6 year” after “shall make”; and

(2) by adding at the end the following:

“(3) **CURRENT GRANTEEES.**—An eligible entity that has received an award under this section, has performed successfully, and still has need for an award may apply for an additional award under this section.”.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Section 404H of the Higher Education Act of 1965 (20 U.S.C. 1070a-28) is amended by striking “\$200,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “\$500,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years”.

#### **SEC. 305. LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Section 415A(b) of the Higher Education Act of 1965 (20 U.S.C. 1070c(b)) is amended by striking paragraphs (1) and (2) and inserting the following:

“(1) **IN GENERAL.**—There are authorized to be appropriated \$200,000,000 for fiscal year 2004, and such sums as may be necessary for each of the 5 succeeding fiscal years.

“(2) **RESERVATION.**—For any fiscal year for which the amount appropriated under paragraph (1)—

“(A) exceeds \$30,000,000, the excess amount up to and including \$67,000,000 shall be available to carry out section 415E; and

“(B) exceeds \$67,000,000, the excess amount shall be available to carry out section 415F.”.

(b) **INCREASE IN MAXIMUM STUDENT GRANTS.**—Section 415C(b)(2) of the Higher Education Act of 1965 (20 U.S.C. 1070c-2(b)(2)) is amended by striking “\$5,000” and inserting “\$12,500”.

(c) **SPECIAL LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.**—Section 415E(a) of the Higher Education Act of 1965 (20 U.S.C. 1070c-3a(a)) is amended by striking “section 415A(b)(2)” and inserting “section 415A(b)(2)(A)”.

(d) **GRANTS FOR ACCESS AND PERSISTENCE.**—Subpart 4 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070c et seq.) is amended—

(1) by redesignating section 415F as section 415G; and

(2) by inserting after section 415E the following:

#### **“SEC. 415F. GRANTS FOR ACCESS AND PERSISTENCE.**

“(a) **AUTHORIZATION.**—From amounts reserved under section 415A(b)(2)(B) for each fiscal year, the Secretary shall make supplemental allotments among States in the same manner as the Secretary makes allotments among States under section 415B to pay the Federal share of the cost of the authorized activities under subsection (c).

“(b) **APPLICATION.**—

“(1) **IN GENERAL.**—

“(A) **SUBMISSION.**—A State that desires to receive a supplemental allotment under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(B) **CONTENT.**—An application submitted under subparagraph (A) shall include both of the following:

“(i) A description of the State's plan for using the supplemental allotment funds.

“(ii) Assurances that the State will provide matching funds, from State, institutional, philanthropic, or private funds, of not less than 33.33 percent of the cost of carrying out the activities under subsection (c). The State shall specify the methods by which matching funds will be paid and include provisions designed to ensure that funds provided under this section will be used to supplement, and not supplant, non-Federal funds available for carrying out the activities under subsection (c).

“(C) **APPROVAL.**—The Secretary shall approve and fund applications that meet the requirements of this section.

“(2) **STATE AGENCY.**—The State agency that submits an application for a State under section 415C(a) shall be the same State agency that submits an application under paragraph (1) for such State.

“(3) **PARTNERSHIP.**—

“(A) **MANDATORY PARTNERS.**—In applying for a supplemental allotment under this section, the State agency shall apply for a supplemental allotment in partnership with not less than 1 public and 1 private degree granting institution of higher education that are located in the State.

“(B) **PERMISSIVE PARTNERS.**—In addition to applying for a supplemental allotment under this section in partnership with degree granting institutions of higher education, a State agency may also apply in partnership with philanthropic organizations that are located in the State and private corporations that do business in the State.

“(c) **AUTHORIZED ACTIVITIES.**—

“(1) **IN GENERAL.**—

“(A) **ESTABLISHMENT OF PROGRAM.**—Each State receiving a supplemental allotment under this section shall use the funds to establish a program to award access and persistence grants to eligible low-income students in order to increase the amount of financial assistance such students receive

under this subpart for undergraduate education expenses.

“(B) AMOUNT.—

“(i) PARTNERSHIPS WITH LESS THAN A MAJORITY OF INSTITUTIONS IN THE STATE.—

“(I) IN GENERAL.—In the case where a State receiving a supplemental allotment under this section is in a partnership described in subparagraph (A) or (B) of subsection (d)(2), the amount of an access and persistence grant awarded by such State shall be not less than the amount that is equal to the average undergraduate tuition and mandatory fees at 4-year public institutions of higher education in the State where the student resides (less any other government sponsored grant amount or scholarship amount, or both, received by the student) and such amount shall be used toward the cost of attendance at an institution of higher education, located in the State, that is a partner in the program.

“(II) COST OF ATTENDANCE.—A State that has a program, apart from the program under this section, of providing eligible low-income students with grants that are equal to the average undergraduate tuition and mandatory fees at 4-year public institutions of higher education in the State, may increase the amount of access and persistence grants awarded by such State to an amount that is equal to the average cost of attendance at 4-year public institutions of higher education in the State.

“(ii) PARTNERSHIP WITH A MAJORITY OF INSTITUTIONS IN THE STATE.—In the case where a State receiving a supplemental allotment under this section is in a partnership described in subsection (d)(2)(C), the amount of an access and persistence grant awarded by such State shall be equal to the average cost of attendance at 4-year public institutions of higher education in the State where the student resides (less any other government sponsored grant amount or scholarship amount, or both, received by the student) and such amount shall be used by the student to attend an institution of higher education, located in the State, that is a partner in the program.

“(2) ELIGIBLE LOW-INCOME STUDENTS.—

“(A) IN GENERAL.—Each State receiving a supplemental allotment under this section shall—

“(i) annually make a determination of which students in grade 7 through grade 12 in the State are eligible to receive an access and persistence grant if such students graduate from secondary school and enroll at an institution of higher education that is a partner in the program; and

“(ii) notify such students of their eligibility to receive an access and persistence grant.

“(B) PRIORITY.—In determining which students are eligible to receive access and persistence grants, the State shall give priority to students—

“(i) with an expected family contribution equal to zero (as described in section 479(c));

“(ii) who are participating in, or have participated in, a Federal, State, institutional, or community early intervention program, as recognized by the State agency administering the program; and

“(iii) who qualify for a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

“(C) CONTENT OF NOTICE.—The notification under subparagraph (A)(ii) shall include—

“(i) information that a student's candidacy for an access and persistence grant is enhanced through participation in an early intervention program;

“(ii) information that the grant award shall be used toward the cost of attendance at an institution of higher education that is a partner in the program and therefore such

award is contingent upon the student's enrollment at such an institution;

“(iii) an estimation of the amount of financial aid a student awarded an access and persistence grant could expect to receive, including an estimation of the amount of the access and persistence grant and an estimation of the amount of aid from the major Federal and State financial aid programs; and

“(iv) instructions on how to apply for an access and persistence grant.

“(3) GRANT AWARD.—If an eligible student, as determined under paragraph (2), has been accepted to an institution of higher education that is a partner in the program, the State shall—

“(A) notify the student of the amount of the access and persistence grant such student will receive if such student enrolls at such institution; and

“(B) inform the student that the access and persistence grant will be awarded and grant funds will be distributed when such student enrolls at such institution.

“(4) DURATION OF AWARD.—An eligible student that receives an access and persistence grant under this section shall receive such grant award for each year of such student's undergraduate education.

“(d) FEDERAL SHARE.—

“(1) IN GENERAL.—The Federal share of the cost of the authorized activities described in subsection (c) for any fiscal year shall be not more than 66.66 percent.

“(2) FORMULA FOR FEDERAL SHARE.—In awarding supplemental allotments under this section, the Secretary shall provide a match of the non-Federal funds provided by the State in accordance with the following:

“(A) If a State applies for a supplemental allotment under this section in partnership with only less than a majority of the degree granting institutions of higher education located in the State, then the Federal share shall be equal to 50 percent of the cost of carrying out the activities under subsection (c).

“(B) If a State applies for a supplemental allotment under this section in partnership with less than a majority of the degree granting institutions of higher education located in the State, philanthropic organizations located in the State, and private corporations doing business in the State, then the Federal share shall be equal to 57 percent of the cost of carrying out the activities under subsection (c).

“(C) If a State applies for a supplemental allotment under this section in partnership with a majority of the degree granting institutions of higher education located in the State, philanthropic organizations located in the State, and private corporations doing business in the State, then the Federal share shall be equal to 66.66 percent of the cost of carrying out the activities under subsection (c).

“(e) APPLICABILITY RULE.—The provisions of this subpart which are not inconsistent with this section shall apply to the program authorized by this section.

“(f) MAINTENANCE OF EFFORT REQUIREMENT.—Each State receiving a supplemental allotment under this section for a fiscal year shall provide the Secretary an assurance that the aggregate amount expended per student or the aggregate expenditures by the State, from funds derived from non-Federal sources, for the authorized activities described in subsection (c) for the preceding fiscal year were not less than the amount expended per student or the aggregate expenditure by the State for the activities for the second preceding fiscal year.”.

## TITLE IV—OPPORTUNITIES AT HISPANIC-SERVING INSTITUTIONS

### SEC. 401. POSTBACCALAUREATE OPPORTUNITIES FOR HISPANIC AMERICANS.

(a) ESTABLISHMENT OF PROGRAM.—Title V of the Higher Education Act of 1965 (20 U.S.C. 1101 et seq.) is amended—

(1) by redesignating part B as part C;

(2) by redesignating sections 511 through 518 as sections 521 through 528, respectively; and

(3) by inserting after section 505 the following:

#### “PART B—PROMOTING POSTBACCALAUREATE OPPORTUNITIES FOR HISPANIC AMERICANS

##### “SEC. 511. FINDINGS AND PURPOSES.

“(a) FINDINGS.—Congress finds the following:

“(1) According to the United States Census, by the year 2050, 1 in 4 Americans will be of Hispanic origin.

“(2) Despite the dramatic increase in the Hispanic population in the United States, the National Center for Education Statistics reported that in 1999, Hispanics accounted for only 4 percent of the master's degrees, 3 percent of the doctor's degrees, and 5 percent of first-professional degrees awarded in the United States.

“(3) Although Hispanics constitute 10 percent of the college enrollment in the United States, they comprise only 3 percent of instructional faculty in college and universities.

“(4) The future capacity for research and advanced study in the United States will require increasing the number of Hispanics pursuing postbaccalaureate studies.

“(5) Hispanic-serving institutions are leading the Nation in increasing the number of Hispanics attaining graduate and professional degrees.

“(6) Among Hispanics who received master's degrees in 1999–2000, 25 percent earned them at Hispanic-serving institutions.

“(7) Between 1991 and 2000, the number of Hispanic students earning master's degrees at Hispanic-serving institutions grew 136 percent, the number receiving doctor's degrees grew by 85 percent, and the number earning first-professional degrees grew by 47 percent.

“(8) It is in the National interest to expand the capacity of Hispanic-serving institutions to offer graduate and professional degree programs.

“(9) Research is a key element in graduate education and undergraduate preparation, particularly in science and technology, and Congress desires to strengthen the role of research at Hispanic serving-institutions. University research, whether performed directly or through a university's nonprofit research institute or foundation, is considered an integral part of the institution and mission of the university.

“(b) PURPOSES.—The purposes of this part are—

(1) to expand postbaccalaureate educational opportunities for, and improve the academic attainment of, Hispanic students; and

(2) to expand and enhance the postbaccalaureate academic offerings of high quality that are educating the majority of Hispanic college students and helping large numbers of Hispanic students and low-income individuals complete postsecondary degrees.

##### “SEC. 512. PROGRAM AUTHORITY AND ELIGIBILITY.

“(a) PROGRAM AUTHORIZED.—Subject to the availability of funds appropriated to carry out this part, the Secretary shall award competitive grants to eligible institutions.

“(b) ELIGIBILITY.—For the purposes of this part, an ‘eligible institution’ means an institution of higher education that—

“(1) is a Hispanic-serving institution (as defined under section 502); and

“(2) offers a postbaccalaureate certificate or degree granting program.

**“SEC. 513. AUTHORIZED ACTIVITIES.**

“Grants awarded under this part shall be used for 1 or more of the following activities:

“(1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

“(2) Construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services.

“(3) Purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials.

“(4) Support for needy postbaccalaureate students including outreach, academic support services, mentoring, scholarships, fellowships, and other financial assistance to permit the enrollment of such students in postbaccalaureate certificate and degree granting programs.

“(5) Support of faculty exchanges, faculty development, faculty research, curriculum development, and academic instruction.

“(6) Creating or improving facilities for Internet or other distance learning academic instruction capabilities, including purchase or rental of telecommunications technology equipment or services.

“(7) Collaboration with other institutions of higher education to expand postbaccalaureate certificate and degree offerings.

“(8) Other activities proposed in the application submitted pursuant to section 514 that—

“(A) contribute to carrying out the purposes of this part; and

“(B) are approved by the Secretary as part of the review and acceptance of such application.

**“SEC. 514. APPLICATION AND DURATION.**

“(a) APPLICATION.—Any eligible institution may apply for a grant under this part by submitting an application to the Secretary at such time and in such manner as determined by the Secretary. Such application shall demonstrate how the grant funds will be used to improve postbaccalaureate education opportunities for Hispanic and low-income students and will lead to such students' greater financial independence.

“(b) DURATION.—Grants under this part shall be awarded for a period not to exceed 5 years.

“(c) LIMITATION.—The Secretary shall not award more than 1 grant under this part in any fiscal year to any Hispanic-serving institution.”

(b) COOPERATIVE ARRANGEMENTS.—Section 524 of the Higher Education Act of 1965 (as redesignated by subsection (a)(2)) is amended by inserting “and section 513” after “section 503”.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 528(a) of the Higher Education Act of 1965 (as redesignated by subsection (a)(2)) is amended to read as follows:

“(a) AUTHORIZATIONS.—

“(1) PART A.—There are authorized to be appropriated to carry out part A of this title \$175,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“(2) PART B.—There are authorized to be appropriated to carry out part B of this title \$125,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.”

(d) CONFORMING AMENDMENTS.—Title V of the Higher Education Act of 1965 (20 U.S.C. 1101 et seq.) is amended—

(1) in section 502—

(A) in subsection (a)(2)(A)(ii), by striking “section 512(b)” and inserting “section 522(b)”; and

(B) in subsection (b)(2), by striking “section 512(a)” and inserting “section 522(a)”; and

(2) in section 521(c)(6) (as redesignated by subsection (a)(2)), by striking “section 516” and inserting “section 526”; and

(3) in section 526 (as redesignated by subsection (a)(2)), by striking “section 518” and inserting “section 528”.

**SEC. 402. DEFINITIONS.**

Section 502(a) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)) is amended—

(1) in paragraph (5)—

(A) in subparagraph (A), by inserting “and” after the semicolon;

(B) in subparagraph (B), by striking “; and” and inserting a period; and

(C) by striking subparagraph (C); and

(2) by striking paragraph (7).

**SEC. 403. AUTHORIZED ACTIVITIES.**

Section 503(b)(7) of the Higher Education Act of 1965 (20 U.S.C. 1101b(b)(7)) is amended to read as follows:

“(7) Articulation agreements and student support programs designed to facilitate the transfer from 2-year to 4-year institutions.”

**SEC. 404. ELIMINATION OF WAIT-OUT PERIOD.**

Section 504(a) of the Higher Education Act of 1965 (20 U.S.C. 1101c(a)) is amended to read as follows:

“(a) AWARD PERIOD.—The Secretary may award a grant to a Hispanic-serving institution under this title for 5 years.”

**SEC. 405. APPLICATION PRIORITY.**

Section 521(d) of the Higher Education Act of 1965 (as redesignated by section 401(a)(2)) is amended by striking “(from funds other than funds provided under this title)”.

**TITLE V—HISTORICALLY BLACK COLLEGES AND UNIVERSITIES**

**SEC. 501. PROFESSIONAL OR GRADUATE INSTITUTIONS.**

Section 326 of the Higher Education Act of 1965 (20 U.S.C. 1063b) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting “business administration, computer or information science, nursing and allied health,” after “engineering,”; and

(B) in paragraph (2), by striking “\$1,000,000” both places such term appears and inserting “\$1,500,000”;

(2) in subsection (d)(2), by striking “\$1,000,000” and inserting “\$1,500,000”;

(3) in subsection (e)—

(A) in paragraph (1)—

(i) in subparagraph (Q), by striking “and” after the semicolon;

(ii) in subparagraph (R), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following:

“(S) Alabama State University qualified graduate programs;

“(T) Albany State University qualified graduate programs;

“(U) Alcorn State University qualified graduate programs;

“(V) Bowie State University qualified graduate programs;

“(W) Coppin State University qualified graduate programs;

“(X) Delaware State University qualified graduate programs;

“(Y) Fayetteville State University qualified graduate programs;

“(Z) Fisk University qualified graduate programs;

“(AA) Grambling State University qualified graduate programs;

“(BB) Kentucky State University qualified graduate programs;

“(CC) Langston University qualified graduate programs;

“(DD) Lincoln University (MO) qualified graduate programs;

“(EE) Prairie View A&M University qualified graduate programs;

“(FF) South Carolina State University qualified graduate programs;

“(GG) Southern University & A&M College qualified graduate programs;

“(HH) University of the District of Columbia qualified graduate programs; and

“(II) Virginia State University qualified graduate programs.”; and

(B) in paragraph (2)—

(i) in subparagraph (A), by inserting “business administration, computer or information science, nursing and allied health,” after “physical or natural sciences,”; and

(ii) in subparagraph (B), by striking “not more than 10 percent” and inserting “not more than 30 percent”;

(4) by striking subsection (f) and inserting the following:

“(f) FUNDING RULE.—Subject to subsection (g), of the amount appropriated to carry out this section for any fiscal year—

“(1) the first \$26,600,000 (or any lesser amount appropriated) shall be available only for the purposes of making grants to institutions or programs described in subparagraphs (A) through (P) of subsection (e)(1);

“(2) any amount in excess of \$26,600,000, but not in excess of \$28,600,000, shall be available for the purpose of making grants to institutions or programs described in subparagraphs (Q) and (R) of subsection (e)(1);

“(3) any amount in excess of \$28,600,000, but not in excess of \$45,600,000, shall be available for the purpose of making grants to institutions or programs described in subparagraphs (S) through (II) of subsection (e)(1);

“(4) any amount in excess of \$45,600,000, but not in excess of \$63,100,000, shall be available for the purpose of increasing the grant amounts to not more than \$1,500,000 to each institution or program described in subparagraphs (A) through (II) of subsection (e)(1); and

“(5) any amount in excess of \$63,100,000, shall be made available to each of the institutions or programs identified in subparagraphs (A) through (II) of subsection (e)(1) pursuant to a formula developed by the Secretary that uses the following elements:

“(A) The ability of the institution to match Federal funds with non-Federal funds.

“(B) The number of students enrolled in the programs for which the eligible institution received funding under this section in the previous year.

“(C) The average cost of education per student, for all full-time graduate or professional students (or the equivalent) enrolled in the eligible professional or graduate school, or for doctoral students enrolled in the qualified graduate programs.

“(D) The number of students in the previous year who received their first professional or doctoral degree from the programs for which the eligible institution received funding under this section in the previous year.

“(E) The contribution, on a percent basis, of the programs for which the institution is eligible to receive funds under this section to the total number of African-Americans receiving graduate or professional degrees in the professions or disciplines related to the programs for the previous year.”; and

(5) in subsection (g), by striking “paragraphs (2) and (3) of subsection (f)” and inserting “subsection (f)”.

**SEC. 502. GRADUATE AND PROFESSIONAL DEGREE DEVELOPMENT PROGRAM.**

Part B of title III of the Higher Education Act of 1965 (20 U.S.C. 1060 et seq.) is amended—

(1) by redesignating section 327 as section 328; and

(2) by inserting after section 326 the following:

**“SEC. 327. GRADUATE AND PROFESSIONAL DEGREE DEVELOPMENT PROGRAM.**

“(a) GRANT AUTHORITY.—The Secretary is authorized to award grants to eligible historically Black colleges and universities to enable such colleges and universities to—

“(1) develop masters, doctoral, or professional degree programs; and

“(2) provide assistance, through fellowship awards, to graduate students at such colleges and universities.

“(b) ELIGIBLE GRANT RECIPIENT.—Eligibility to receive grants under this section is limited to historically Black colleges and universities that are making a substantial contribution to the education of African-Americans.

“(c) APPLICATION.—An eligible historically Black college or university that desires to receive a grant under this section shall submit an application to the Secretary that—

“(1) demonstrates how the grant funds will be used to improve—

“(A) graduate educational opportunities for African-American and low-income students; and

“(B) the financial independence of such students;

“(2) provides, in the case of applications for grants in excess of \$500,000, the assurances required by subsection (g) and specifies the manner in which the college or university is going to pay the non-Federal share of the cost of the application; and

“(3) contains such information as the Secretary may require.

“(d) PRIORITY.—In awarding grants under this section, the Secretary shall give priority consideration to those eligible historically Black colleges and universities desiring to support programs and graduate students in areas of national need or academic disciplines in which African-Americans are underrepresented.

“(e) USE OF FUNDS.—An eligible historically Black college or university that receives a grant under this section may use the grant funds for—

“(1) purchase, rental, or lease of equipment for educational purposes, including instructional and research purposes;

“(2) construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;

“(3) purchase of library books, periodicals, journals, microfilm, microfiche, and other educational materials, including telecommunications program materials;

“(4) scholarships, fellowships, and other financial assistance for needy graduate and professional students to permit the enrollment of the students in and completion of the graduate or professional degree; and

“(5) assistance in the establishment or maintenance of an institutional endowment to facilitate financial independence pursuant to section 331.

“(f) DURATION.—Grants shall be made for a period not to exceed 5 years.

“(g) FUNDING RULE.—No grant in excess of \$500,000 may be made under this section unless the college or university provides assurances that 50 percent of the cost of the purposes for which the grant is made will be paid from non-Federal sources, except that no college or university shall be required to

match any portion of the first \$500,000 of the college or university's award from the Secretary.

“(h) TWO GRANTS PER INSTITUTION.—The Secretary may award not more than 2 grants or an aggregate amount of \$1,000,000 under this section in any fiscal year to any institution of higher education or university system.

“(i) INSTITUTIONAL CHOICE.—The president or chancellor of the college or university may select the program for which to seek funding.

“(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$30,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.”

**SEC. 503. AUTHORIZATION OF APPROPRIATIONS.**

(a) GRANTS TO INSTITUTIONS.—Section 323(a) of the Higher Education Act of 1965 (20 U.S.C. 1062(a)) is amended by striking “section 360(a)(2)” and inserting “section 399(a)(2)(C)”.

(b) AUTHORIZATION.—Section 399(a) of the Higher Education Act of 1965 (20 U.S.C. 1068h(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking “section 326” and inserting “sections 323 and 326”; and

(B) in subparagraph (B), by striking “\$35,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “\$75,000,000 for fiscal year 2004, and such sums as may be necessary for each of the 5 succeeding fiscal years”; and

(C) by adding at the end the following:

“(C) There are authorized to be appropriated to carry out section 323, \$250,000,000 for fiscal year 2004, and such sums as may be necessary for each of the 5 succeeding fiscal years”;

(2) in paragraph (3), by striking “\$10,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “\$25,000,000 for fiscal year 2004, and such sums as may be necessary for each of the 5 succeeding fiscal years”; and

(3) in paragraph (5), by striking “\$10,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years” and inserting “\$20,000,000 for fiscal year 2004, and such sums as may be necessary for each of the 5 succeeding fiscal years”.

**SEC. 504. PATSY T. MINK FELLOWSHIP PROGRAM.**

Part A of title VII of the Higher Education Act of 1965 (20 U.S.C. 1134 et seq.) is amended—

(1) by redesignating subpart 4 as subpart 5;

(2) by redesignating section 731 as section 741;

(3) in section 741 (as redesignated by paragraph (2))—

(A) in subsection (a), by striking “and 3” and inserting “3, and 4”;

(B) in subsection (b), by striking “and 3” and inserting “3, and 4”; and

(C) in subsection (d), by striking “or 3” and inserting “3, or 4”; and

(4) by inserting after subpart 3 the following:

**“Subpart 4—Patsy T. Mink Fellowship Program****“SEC. 731. PURPOSE AND DESIGNATION.**

“(a) PURPOSE.—It is the purpose of this subpart to provide, through eligible institutions, a program of fellowship awards to assist highly qualified minorities and women to acquire the doctoral degree, or highest possible degree available, in academic areas in which such individuals are underrepresented for the purpose of enabling such individuals to enter the higher education professoriate.

“(b) DESIGNATION.—Each recipient of a fellowship award from an eligible institution receiving a grant under this subpart shall be known as a ‘Patsy T. Mink Graduate Fellow’.

**“SEC. 732. DEFINITION OF ELIGIBLE INSTITUTION.**

“‘In this subpart, the term ‘eligible institution’ means an institution of higher education, or a consortium of such institutions, that offers a program of postbaccalaureate study leading to a graduate degree.

**“SEC. 733. PROGRAM AUTHORIZED.**

“(a) GRANTS BY SECRETARY.—

“(1) IN GENERAL.—The Secretary shall award grants to eligible institutions to enable such institutions to make fellowship awards to individuals in accordance with the provisions of this subpart.

“(2) PRIORITY CONSIDERATION.—In awarding grants under this subpart, the Secretary shall consider the eligible institution's prior experience in producing doctoral degree, or highest possible degree available, holders who are minorities and women, and shall give priority consideration in making grants under this subpart to those eligible institutions with a demonstrated record of producing minorities and women who have earned such degrees.

“(b) APPLICATIONS.—

“(1) IN GENERAL.—An eligible institution that desires a grant under this subpart shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(2) APPLICATIONS MADE ON BEHALF.—

“(A) IN GENERAL.—The following entities may submit an application on behalf of an eligible institution:

“(i) A graduate school or department of such institution.

“(ii) A graduate school or department of such institution in collaboration with an undergraduate college or university of such institution.

“(iii) An organizational unit within such institution that offers a program of postbaccalaureate study leading to a graduate degree, including an interdisciplinary or an interdepartmental program.

“(iv) A nonprofit organization with a demonstrated record of helping minorities and women earn postbaccalaureate degrees.

“(B) NONPROFIT ORGANIZATIONS.—Nothing in this paragraph shall be construed to permit the Secretary to award a grant under this subpart to an entity other than an eligible institution.

“(c) SELECTION OF APPLICATIONS.—In awarding grants under subsection (a), the Secretary shall—

“(1) take into account the number and distribution of minority and female faculty nationally, as well as the current and projected need for highly trained individuals in all areas of the higher education professoriate;

“(2) take into account the number and distribution of minority and female faculty nationally, as well as the present and projected need for highly trained individuals in academic career fields in which minorities and women are underrepresented in the higher education professoriate; and

“(3) consider the need to prepare a large number of minorities and women generally in academic career fields of high national priority, especially in areas in which such individuals are traditionally underrepresented in college and university faculties.

“(d) DISTRIBUTION AND AMOUNTS OF GRANTS.—

“(1) EQUITABLE DISTRIBUTION.—In awarding grants under subsection (a), the Secretary shall, to the maximum extent feasible, ensure an equitable geographic distribution of awards and an equitable distribution among

public and independent eligible institutions that apply for grants under this subpart and that demonstrate an ability to achieve the purpose of this subpart.

“(2) SPECIAL RULE.—To the maximum extent practicable, the Secretary shall use not less than 50 percent of the amount appropriated pursuant to section 736 to award grants to the following eligible institutions:

“(A) Eligible institutions that are eligible for assistance under title III or title V.

“(B) Eligible institutions that are eligible institutions, as defined in section 312.

“(C) Eligible institutions that are Tribal Colleges or Universities, as defined in section 316.

“(D) Eligible institutions that are Alaska Native-serving institutions, as defined in section 317.

“(E) Eligible institutions that are Native-Hawaiian-serving institutions, as defined in section 317.

“(F) Eligible institutions that are part B institutions, as defined in section 322.

“(G) Eligible institutions that are eligible institutions, as defined in section 502.

“(H) Consortia of eligible institutions that are nonminority-serving institutions and eligible institutions that are minority-serving institutions.

“(3) ALLOCATION.—In awarding grants under this subpart, the Secretary shall allocate appropriate funds to those eligible institutions whose applications indicate an ability to significantly increase the numbers of minorities and women entering the higher education professoriate and that commit institutional resources to the attainment of the purpose of this subpart. An eligible institution that receives a grant under this subpart shall make not less than 15 fellowship awards.

“(4) REALLOTMENT.—If the Secretary determines that an eligible institution awarded a grant under this subpart is unable to use all of the grant funds awarded to the institution, the Secretary shall reallocate, on such date during each fiscal year as the Secretary may fix, the funds that are not usable to other eligible institutions that demonstrate that such institutions can use any reallocated grant funds to make fellowship awards to individuals under this subpart.

“(e) INSTITUTIONAL ALLOWANCE.—

“(1) IN GENERAL.—

“(A) NUMBER OF ALLOWANCES.—In awarding grants under this subpart, the Secretary shall pay to each eligible institution awarded a grant, for each individual awarded a fellowship by such institution under this subpart, an institutional allowance.

“(B) AMOUNT.—Except as provided in paragraph (3), an institutional allowance shall be in an amount equal to, for academic year 2005–2006 and succeeding academic years, the amount of institutional allowance made to an institution of higher education under section 715.

“(2) USE OF FUNDS.—Institutional allowances may be expended in the discretion of the eligible institution and may be used to provide, except as prohibited under paragraph (4), academic support and career transition services for individuals awarded fellowships by such institution.

“(3) REDUCTION.—The institutional allowance paid under paragraph (1) shall be reduced by the amount the institution charges and collects from a fellowship recipient for tuition and other expenses as part of the recipient's instructional program.

“(4) USE FOR OVERHEAD PROHIBITED.—Funds made available pursuant to this subpart may not be used for general operational overhead of the academic department or institution receiving funds under this subpart.

#### “SEC. 734. FELLOWSHIP RECIPIENTS.

“(a) AUTHORIZATION.—An eligible institution that receives a grant under this subpart shall use the grant funds to make fellowship awards to minorities and women who are enrolled at such institution in a doctoral degree, or highest possible degree available, program and—

“(1) intend to pursue a career in instruction at—

“(A) an institution of higher education (as defined in section 101);

“(B) an institution of higher education (as defined in section 102(a)(1));

“(C) an institution of higher education outside the United States, as that term is described in section 102(a)(2); or

“(D) a proprietary institution of higher education (as defined in section 102(b)); and

“(2) sign an agreement with the Secretary agreeing to, within 5 years of receiving the doctoral degree, or highest possible degree available, begin employment at an institution described in paragraph (1) for 1 year for each year of fellowship assistance received under this subpart.

“(b) FAILURE TO COMPLY.—If an individual who receives a fellowship award under this subpart fails to comply with the agreement signed pursuant to subsection (a)(2), then the Secretary shall do 1 or both of the following:

“(1) Require the individual to repay all or the applicable portion of the total fellowship amount awarded to the individual by converting the balance due to a loan at the interest rate applicable to loans made under part B of title IV.

“(2) Impose a fine or penalty in an amount to be determined by the Secretary.

“(c) WAIVER AND MODIFICATION.—

“(1) REGULATIONS.—The Secretary shall promulgate regulations setting forth criteria to be considered in granting a waiver for the service requirement under subsection (a).

“(2) CONTENT.—The criteria under paragraph (1) shall include whether compliance with the service requirement by the fellowship recipient would be—

“(A) inequitable and represent a substantial hardship; or

“(B) deemed impossible because the individual is permanently and totally disabled at the time of the waiver request.

“(d) AMOUNT OF FELLOWSHIP AWARDS.—Fellowship awards under this subpart shall consist of a stipend in an amount equal to the level of support provided to the National Science Foundation graduate fellows, except that such stipend shall be adjusted as necessary so as not to exceed the fellow's tuition and fees or demonstrated need (as determined by the institution of higher education where the graduate student is enrolled), whichever is greater.

“(e) ACADEMIC PROGRESS REQUIRED.—An individual shall not be eligible to receive a fellowship award—

“(1) except during periods in which such student is enrolled, such student is maintaining satisfactory academic progress in, devoting essentially full time to, study or research in the pursuit of the degree for which the fellowship support was awarded; and

“(2) if the student is engaged in gainful employment other than part-time employment involved in teaching, research, or similar activity determined by the institution to be consistent with and supportive of the student's progress toward the appropriate degree.

#### “SEC. 735. RULE OF CONSTRUCTION.

“Nothing in this subpart shall be construed to require an eligible institution that receives a grant under this subpart to—

“(1) grant a preference or to differentially treat any applicant for a faculty position as a result of the institution's participation in the program under this subpart; and

“(2) hire a Patsy T. Mink Fellow who completes this program and seeks employment at such institution.

#### “SEC. 736. AUTHORIZATION OF APPROPRIATIONS.

“There is authorized to be appropriated to carry out this subpart \$25,000,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.”

### TITLE VI—RECRUITMENT OF TEACHERS TO TEACH AT TRIBAL COLLEGES OR UNIVERSITIES

#### SEC. 601. LOAN REPAYMENT OR CANCELLATION FOR INDIVIDUALS WHO TEACH IN TRIBAL COLLEGES OR UNIVERSITIES.

(a) SHORT TITLE.—This title may be cited as the “Tribal Colleges and Universities Teacher Loan Forgiveness Act”.

(b) PERKINS LOANS.—

(1) AMENDMENT.—Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) is amended—

(A) in paragraph (2)—

(i) in subparagraph (H), by striking “or” after the semicolon;

(ii) in subparagraph (I), by striking the period and inserting “; or”; and

(iii) by adding at the end the following:

“(J) as a full-time teacher at a Tribal College or University as defined in section 316(b).”; and

(B) in paragraph (3)(A)(i), by striking “or (I)” and inserting “(I), or (J)”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall be effective for service performed during academic year 1998–1999 and succeeding academic years, notwithstanding any contrary provision of the promissory note under which a loan under part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.) was made.

(c) FFEL AND DIRECT LOANS.—Part G of title IV of the Higher Education Act of 1965 (20 U.S.C. 1088 et seq.) is amended by adding at the end the following:

#### “SEC. 493C. LOAN REPAYMENT OR CANCELLATION FOR INDIVIDUALS WHO TEACH IN TRIBAL COLLEGES OR UNIVERSITIES.

“(a) PROGRAM AUTHORIZED.—The Secretary shall carry out a program, through the holder of a loan, of assuming or canceling the obligation to repay a qualified loan amount, in accordance with subsection (b), for any new borrower on or after the date of enactment of this section, who—

“(1) has been employed as a full-time teacher at a Tribal College or University as defined in section 316(b); and

“(2) is not in default on a loan for which the borrower seeks repayment or cancellation.

“(b) QUALIFIED LOAN AMOUNTS.—

“(1) PERCENTAGES.—Subject to paragraph (2), the Secretary shall assume or cancel the obligation to repay under this section—

“(A) 15 percent of the amount of all loans made, insured, or guaranteed after the date of enactment of this section to a student under part B or D, for the first or second year of employment described in subsection (a)(1);

“(B) 20 percent of such total amount, for the third or fourth year of such employment; and

“(C) 30 percent of such total amount, for the fifth year of such employment.

“(2) MAXIMUM.—The Secretary shall not repay or cancel under this section more than \$15,000 in the aggregate of loans made, insured, or guaranteed under parts B and D for any student.

“(3) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a loan made under section 428C may be a qualified loan amount for the purposes of this subsection only to the extent that such loan amount was used to

repay a loan made, insured, or guaranteed under part B or D for a borrower who meets the requirements of subsection (a), as determined in accordance with regulations prescribed by the Secretary.

“(c) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

“(d) CONSTRUCTION.—Nothing in this section shall be construed to authorize any refunding of any repayment of a loan.

“(e) PREVENTION OF DOUBLE BENEFITS.—No borrower may, for the same service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.).

“(f) DEFINITION.—For purposes of this section, the term ‘year’, when applied to employment as a teacher, means an academic year as defined by the Secretary.”.

**SEC. 602. AMOUNTS FORGIVEN NOT TREATED AS GROSS INCOME.**

The amount of any loan that is assumed or canceled under an amendment made by this title shall not, consistent with section 108(f) of the Internal Revenue Code of 1986, be treated as gross income for Federal income tax purposes.

Mr. DODD. Mr. President, I rise today with Senators KENNEDY, BINGAMAN, REED, CLINTON and MURRAY to introduce the Democratic proposal to reauthorize the Higher Education Act, the College Quality, Affordability and Diversity Improvement Act of 2003 (QUAD).

The Higher Education Act authorizes the Federal Government’s major activities as they relate to financial assistance for students attending colleges and universities. It provides aid to institutions of higher education, services to help students complete high school and enter and succeed in postsecondary education, and mechanisms to improve the training of teachers.

According to a recent CRS report, tuition went up last year at four-year public universities from 1.9 percent in New York to 23.8 percent in Massachusetts. In Connecticut, tuition went up 8.1 percent. According to the College Board, the average cost of attending a public four-year college including tuition, fees, room and board is over \$9,000. For private four-year colleges, the average cost is over \$24,000. Another study indicates that 29 percent of an average family’s income goes toward public university tuition payments and 41 percent of an average family’s income goes toward private university tuition. In comparison, the average family’s mortgage payment represents 32 percent of the annual income.

The simple fact is that many parents are deeply worried about how they are going to pay for their children’s higher education. Constant hikes in tuition are not only a source of concern for parents, in some cases they are a source of panic. The legislation we are introducing today is an attempt to alleviate this worry and help working parents and working students afford the high cost of college. We do this in a number of ways.

The QUAD Act will increase the amount of Pell grants available to

working families. Two decades ago, Pell grants covered 84 percent of average costs at four-year universities; today they cover less than 30 percent. This bill will reverse this downward trend by raising the maximum Pell Grant for students by \$450, from \$4,050 to \$4,500.

The bill works through the tax code and student loans to make sure students are getting the financial support that they need on the most favorable terms. We eliminate origination fees on subsidized student loans, double the size of the Hope Credit, and allow college graduates a chance to refinance their consolidated loans so that they can take advantage of today’s historically low interest rates.

QUAD works to level the playing field in admissions by requiring universities and colleges to be more up-front about their admissions policies and by creating a grant program so that low-income students and minority students have available to them college test preparation programs that on average increase a student’s SAT score by 100 points.

The bill creates two new retention programs to ensure that students that start college complete their degrees. Low-income students are half as likely as upper income students to complete a bachelor’s degree in four years. African-American students are half as likely as white students to graduate, and four in ten Hispanics who enroll in four-year institutions drop out within three years.

QUAD will improve opportunities for undergraduates and graduate students at Minority Serving Institutions by creating new grant programs, removing regulatory burdens and increasing the funding levels of current initiatives. The bill also helps colleges and school districts recruit and train more highly qualified teachers and provides better training for principals and superintendents.

In addition to all of this, QUAD directly addresses the problem of rising college costs. This bill puts into place a requirement that states maintain their portion of higher education funding at 90 percent from fiscal year to fiscal year. If the Federal Government is going to make a commitment to providing more resources to higher education by increasing monies for student aid, it is only fair that we require states to maintain their current share of assistance. States should not be using our proposed increases in federal aid as an excuse to decrease their own spending levels. The states and the Federal Government should be working together on higher education, and not using one or the other as an excuse to reduce their share of the costs.

This bill also creates incentives for colleges to cut costs. QUAD creates a demonstration program to provide seed money to colleges and universities that want to explore innovative ways to reduce costs and pass savings on to students. This can be accomplished across

universities by pooling resources, making joint purchase of supplies or employee benefits, and creating joint degree programs.

Recently, a 20-member consortium of Wisconsin universities spent \$285,000 on staff and resources to find a way to purchase health care jointly. In the first year, they realized a savings of \$3.8 million. That is a pretty impressive return on an investment of \$285,000. Building on this type of initiative, our bill provides grants of \$200,000 to consortia in other states around the country to incentivize these same kinds of cost-cutting measures, measures that have no effect on academic mission or quality of student life.

In the end, it is essential in this reauthorization that we do everything we can to ensure that qualified students are not being locked out of college. The economic costs for families would be immense. A full-time worker with a bachelor’s degree earns about 60 percent more than a full-time worker with only a high school diploma. Over a lifetime, the gap in earnings exceeds \$1 million.

I hope our colleagues who are not cosponsoring this bill will give it serious consideration. By working together, I believe that the Senate as a body can act to ensure that every young person in our Nation has an opportunity to rise as high as their talents, dreams and determination will take them.

Mr. BINGAMAN. Mr. President, I rise today in support of the College Quality, Affordability and Diversity Improvement Act of 2003, or QUAD, introduced by Senator KENNEDY and cosponsored by Senators DODD, MURRAY, REED, CLINTON, and myself.

Since 1998, when Congress last reauthorized the Higher Education Act, enrollment in institutions of higher education has risen to an all-time high, growing by nearly one million students. Half of these new enrollments are minority students, nearly 200,000 of which are of Hispanic origin. Projections show that enrollment in higher education will only continue to grow in the coming years. The increased demand for a college degree is due much in part to the changing economy. Those with a bachelor’s degree now make 75 percent more than those without, and jobs requiring some post-secondary education are expected to account for over 40 percent of total job growth this decade.

While the demand for a college degree has increased, so too has the cost of college, and rather drastically. These increases severely limit access for many qualified students. For the 2002-2003 school year, four-year public universities reported an average tuition increase of over 14 percent. This comes on top of an almost ten percent increase in average tuition last year. Just three years ago the average increase was just four percent. For families in the lowest income quartile, average public university costs now consume 62 percent of their income. In the

early 1970's it was only 42 percent. What's more, the purchasing power of the Pell grant has declined. Today, Pell Grants cover only 40 percent of average fixed costs at four-year public colleges. Twenty years ago, they covered 80 percent of costs.

Every American should have the opportunity to realize his or her full potential, regardless of the depth of their pocketbook or the size of their parents' wallet. It is time for Congress to step up and meet the challenge: we must do more to help qualified students attend and finish college.

Currently, 40 percent of all whites ages 18-24 are pursuing post-secondary education, compared with only 30 percent of African-Americans and 16 percent of Hispanics of the same age. Those disadvantaged students who do start college often do not finish: low-income students are half as likely as upper income students to complete a bachelor's degree in four years; four in ten Hispanic students enrolled in four-year institutions drop out within three years of initial enrollment.

The College Quality, Affordability, and Diversity Improvement Act will help low-income and minority students get into college. QUAD increases funding to critical programs including GEAR Up, TRIO and LEAP. It improves access for low-income students through the creation of a new grant program for proven-effective test prep programs to provide free tutoring for college entrance exams to low-income students. It improves access and awareness for low-income students by creating a partnership among the federal government, the states, colleges, philanthropies, and corporations to provide low-income students with early information and an early assurance of financial access to college.

But Mr. President, we cannot simply help a student get into and pay for college, we must help them stay in college and earn their degree. Of the 16 percent of 18-24 year old Hispanics enrolling in college, a mere 40 percent actually complete their degree. Similarly, only 38 percent of African-American students that enroll in college complete their degree. QUAD will help low-income and minority students complete their education through the creation of two new retention programs. The first program provides grants to colleges and universities, which serve high-proportions of low-income students to implement innovative programs to provide students with the support they need to persist and graduate. The second program requires schools with large discrepancies in disaggregated graduation rates to increase their investment in support services to improve retention. QUAD also increases funding for minority serving institutions, and creates new grant programs to encourage minority students to pursue graduate education at minority serving institutions.

Minorities make up an increasing proportion of the United States popu-

lation, but they continue to severely lag behind white students in completing both undergraduate and particularly graduate degrees. Minority Serving Institutions are serving an increasing proportion of minorities, and can help decrease this disparity. Among Hispanics who received master's degrees in 1999-2000, 25 percent attained them at Hispanic Serving Institutions and in the past ten years, the number of Hispanic students receiving master's degrees at HSIs grew by 136 percent, the number receiving doctoral degrees grew by 85 percent, and the number earning first time professional degrees grew by 47 percent.

This past May, I proposed the Next Generation Hispanic-Serving Institutions Act, S. 1190. Under this act, the burdensome regulatory barriers for the 18 Hispanic Serving Institutions in New Mexico and more than 190 HSIs nationally would be removed and opportunities for students at HSIs would be greatly expanded. QUAD takes up this effort, increasing funding for current grants to HSIs and creating a new grant program for graduate programs at HSIs. The grant program would authorize a total of \$300 million in fiscal year 2005 and such sums as may be necessary in future years. Grants under this program would help schools improve instructional facilities, purchase instruction and telecommunications materials, give support to needy post baccalaureate students, improve distance learning and other telecommunications capabilities, collaborate with other institutions of higher education to expand programs, and support faculty and curriculum development.

QUAD will also help to attract and retain high quality teachers at tribal universities. This past February, Senator DASCHLE and I introduced legislation that would create a loan forgiveness program for individuals who choose to teach at tribal colleges and universities. QUAD includes this legislation, S. 378.

Another component of QUAD that I am proud to have worked on is the teacher quality provisions of Title II. Since my involvement in the accountability sections of Title II during the last reauthorization of the Higher Education Act, we have worked to increase the bar for teacher quality. QUAD will greatly improve the training and recruitment of teachers by expanding and strengthening teacher-training programs to help teacher preparation institutions feed more qualified teachers into the classrooms. These improvements will help States and school districts meet the goal outlined in the No Child Left Behind Act of ensuring a highly qualified teacher in every classroom.

QUAD will help colleges and school districts recruit and train more teachers with higher quality programs, and provide better training for in-service principals and superintendents. QUAD strengthens provisions of HEA to focus on improving the quality of programs and

services to teachers by ensuring that teacher preparation courses provide teachers with the specific skills and supports they need to succeed in the classroom, such as training necessary to help all students achieve high standards, including children with disabilities and limited English proficient students, and the integration of state standards and accountability in the classroom. QUAD supports innovation by establishing new financial incentive programs to professionalize the field of teaching, and attract and retain more individuals in the classroom. QUAD will also help to attract teachers to where they are needed most by increasing the amount of student loan forgiveness for teachers working in high-need, high-demand areas. And QUAD helps to better prepare teachers to use technology in the classroom by increasing funding for the Preparing Tomorrow's Teachers to Use Technology program.

It is time for Congress to step up and meet the challenge: We must do more to help qualified students attend and finish college. I know that my colleagues will take this proposal under serious consideration and I look forward to working with them on the reauthorization of the Higher Education Act this coming year.

#### SUBMITTED RESOLUTIONS

SENATE CONCURRENT RESOLUTION 76—RECOGNIZING THAT NOVEMBER 2, 2003, SHALL BE DEDICATED TO "A TRIBUTE TO SURVIVORS" AT THE UNITED STATES HOLOCAUST MEMORIAL MUSEUM

Mr. HATCH (for himself, Mr. VOINOVICH, Mr. COLEMAN, Ms. COLLINS, Mr. REID, Mrs. BOXER, and Mr. SMITH) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 76

Whereas, in 1945, American soldiers and other Allied forces, defeated Nazi Germany, ending World War II in Europe and the systematic murder of Europe's Jews and other targeted groups;

Whereas 6,000,000 Jews were killed during the Holocaust, and after World War II hundreds of thousands of survivors immigrated to the United States, where in spite of their enormous suffering, they rebuilt their lives, and embraced and enriched their adopted homeland;

Whereas, in 1978, President Jimmy Carter created the President's Commission on the Holocaust to make a recommendation regarding "the establishment . . . of an appropriate memorial to those who perished in the Holocaust";

Whereas President Carter said: "Out of our memory . . . of the Holocaust we must forge an unshakable oath with all civilized people that never again will the world stand silent, never again will the world . . . fail to act in time to prevent this terrible crime of genocide. . . . [W]e must harness the outrage of our own memories to stamp out oppression wherever it exists. We must understand that human rights and human dignity are indivisible.";